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The Nation's Business

Senator Buchanan on Canadian Initiative

Why Some Capital Has Left Canada

Student Christian Association Protests

No Link With Nearing

IN THE course of an excellent review of the western situation in the Senate, Hon. W. A. Buchanan criticized Canadian industrialists for not having more confidence in this country and said:

"We hear a great deal of criticism of United States capital coming into this country. American capital seems to be more eager than Canadian capital to develop our resources. When we wanted to establish a beet sugar industry we could do so only by means of American capital; and when we want canning factories we apparently have to depend upon the canning industry of the United States rather than upon that of Canada. In my opinion, that is a mistake. I think that our industries should have more confidence in this country, and should be willing to do everything possible to encourage mixed farming and manufacturing."

Mr. Buchanan touches the weak, perhaps the weakest spot in our national situation — the timidity that has prevailed among many business leaders and investors, preventing them from extending their present industries or developing new ones. A most important reason is the uncertainty as to what the national government may do in the matter of tariff and of income and business taxes.

* * *

SINCE the war, Canada, nationally and locally, has not reduced but increased public expenditures, calling for higher taxes. The Robb budget gave us a slight reduction in some taxation, but at the same time it increased the handicaps on investments made by Canadian business men in Canadian industry. It gave American capitalists an advantage over Canadian investors. Just what is the explanation of the national government's readiness in the last few years to favor U. S. interests to the detriment of Canadians?

The result has been, as far as a number of the more enterprising and able Canadians are concerned, that they have been seeking openings for the use of their ability and capital elsewhere than in Canada. Already many millions of Canadian savings have gone abroad, and a number of our abler industrialists have transferred their best energies to other countries.

* * *

IT IS not only in this respect that United States industry has an advantage over Canadian. American firms can send their experienced executives and their experienced workmen backed by millions of capital, and develop an industry in Canada that will be merely a subsidiary or department of the parent company. They will find themselves in a very happy position. They can feel confident of the great future of the Canadian market. Their big overhead cost will be borne by the parent company which will also give them the benefit of all the experience of the past and the pioneering of the future. Big business in Canada has not criticized this American invasion. Every broad-minded, far-seeing Canadian industrialist welcomes, cordially welcomes, American capital and American development. But he does it with a sigh when he thinks of the handicaps that have been put upon him by our government and by the anti-industrialist demagogues in the press, in labor unions and in agricultural circles especially in Ontario.

* * *

THE native Canadian is also disappointed that these developments are not being made by our own people, the British. But all the same, we get along better with the Americans. Their ways and our ways are much alike. But it should not be forgotten that United States industrial and transportation development was dependent upon and greatly hastened by British capital and British experience. There is no reason to doubt but that Canadian industry will run the same course; that eventually many of our great industries that have been developed and are now owned by American investors will pass into the hands of Canadians. But it is regrettable that while it is largely American capital that is developing Canada to-day and that will skim the cream from the profits, Canadian capital is being sent abroad. This is not entirely the fault of Canadian industry, as Mr. Buchanan would suggest, but is to some extent due to Canadian legislatures and the antagonism created by agitators towards Canadian industry. The "safety first" attitude of Canadian enterprise to-day has some reason for its existence. Canadian capital and initiative has been frightened by unfair legislation and heavy taxation. On the other hand, the public has some excuse for suspecting capital; as The Post has frequently pointed out, the electric interests, the railway interests and a little group among the manufacturers persistently created misunderstand-

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SHAREHOLDERS OF BUFFALO LOBLAWS PROVIDE $360,000

Expansion Programme is Launched to Secure Volume of Business

ONTARIO STORES BUSY

System, Both in Retailing and Warehousing, is Believed to be Important Factor in Success of These

The $360,000 of new 7 per cent. preferred stock has all been subscribed for by shareholders of Loblaw Groceterias, Inc. The stores operated by this company in Buffalo and vicinity began to show profits, it is understood, four or five months ago. The additional capital will be used to open new stores in districts not now served in the belief that a volume of business can be established which will enable the Buffalo enterprise to show a ratio of profit comparable to the profits of the Ontario stores.

Loblaw Groceterias Co. (Ontario) owns 2,600 common shares of Loblaw Groceterias, Inc., incorporated in New York state. This is more than two-thirds of the outstanding common and while there must be earnings to take care of both the 12 per cent. preferred and the new 7 per cent. preferred, the Buffalo enterprise, assuming that it is eventually as successful as its parent, will accrue to the advantage of shareholders in the Ontario company.

Eliminate Second Preferred

There now are only two classes of stock in the Ontario enterprise, virtually all of the second preference 12 per cent. stock has been converted into common on the basis of six for one, making 288,000 common shares outstanding. It is possible that a similar revision of the stock in the New York company will take place when the business on the other side of the line is more firmly established.

Recent reports indicate that Loblaws Toronto and Ontario stores have been doing very well. Sales have been maintained in large volume and store expenses are amazingly low. Profits per dollar of sales also are remarkably low, but the large volume of trade nets substantial profits on the capital stock.

One of the officials of the company is wont jokingly to remark that the secret of success of Loblaws is that they sell for less than cost and manage to make money. To the outside observer, this sprightly comment is not particularly enlightening. But a visit to the Loblaw central warehouse on Bloor Street West, Toronto, observation of the methods of assembling goods and acquaintance with the executives reveals a number of interesting facts.

Makes System Work

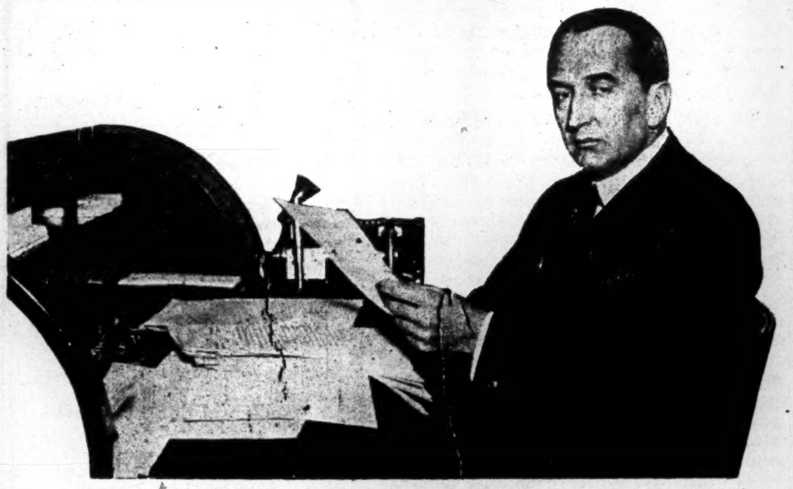
Without denying that there are other excellent systems of merchandising provisions, one is inclined to conclude that there are two, perhaps three, fundamental reasons, for the success of the Loblaw enterprise, aside from the superficial value of first-class locations for stores and attractiv display of goods and of advertising.

The first asset of this company is that T. P. Loblaw knows the grocery business and is happy in it. The second is that there probably are few men so expert at systematizing and at simplifying system. The third is that a system has been applied practically and is apparently equal to dealing with every phase of the buying, assembling, distribution and sale of groceries to consumers.

One of the most interesting details, an important detail, of the Loblaw system is that store managers do not order goods on order forms arranged in alphabetical order, or even in groups according to classification of goods. The orders as they reach the assemblers on each of the five floors of the warehouses are listed in the order in which the goods are arranged in the warehouse. This facilitates assembly, checking and billing. It is accomplished simply by sending the store managers sheets, which virtually are complete catalogues, on which are printed the names, quality and prices of goods which can be ordered from the central warehouse. There are columns opposite each commodity listed on which are a ready reference of quantities ordered in recent weeks.

Loblaws are manufacturers in some lines, although it is the ambition of the company to bring out goods of any description to compete with goods which are nationally advertised. The manufacturing so far has been confined largely to baked goods. An unbelievable number of Christmas cakes were sold and there is a growing demand for cherry cake. Other activities in the warehouse and factory include the grinding and blending of coffee, the cutting, grading and wrapping of butter, the blending and packaging of tea, the packaging of several varieties of candy, including licorice of all sorts bought in bulk carload lots, and the salting of peanuts.

Australia's Premier Visiting Canada



Rt. Hon. Stanley M. Bruce, prime minister of Australia, who will speak in several Canadian centres.

Stanley Bruce

Canada's Guest Stepped from Business Chair Into Premiership

Outstanding Figure

By HORACE T. HUNTER,
Vice-president, The Financial Post.

Stanley M. Bruce, prime minister of Australia, comes to Canada next week. He is booked to speak at Montreal, Ottawa, Toronto, Hamilton, Winnipeg and Vancouver. I am sure his audiences will not be disappointed in him. I saw him frequently during the Imperial Conference and heard him speak on numerous occasions. He is not an orator who indulges in platitudes and flowery language, but a business man with a message for business men. He is very frank and candid and never uses words to "conceal his thoughts." T. P. O'Connor described him as follows:

"He is a fascinating personality, both physically and temperamentally. The tall, stalwart form of an old and still ever fresh athlete, the broad shoulders, the swinging walk, proclaim the man in thorough fitness, always and everywhere. The face, too, is very attractive—the features large and well proportioned; a dominating nose, a firm mouth and chin, and very fine bright and dark eyes; and, finally, the expression is strong, even wilful, but intensely good humored. Nobody could mistake him for being anything but a Britisher—his family came to Australia from Scotland, after a generation or so in the North of Ireland; but he himself was born in Australia. Which mixed ancestry is manifested in his utterances, pronunciation, and points of view. Unmistakably British as he is, he is as unmistakably Australian in a pronouncedly democratic bearing and point of view. Mr. Bruce looks at everything with what I may call corroding common sense. It is a treat to hear him reducing pretentions, slogans, hypothetical and exaggerated difficulties in our relations with our Dominions to practical good sense. He will be, I think, the great figure in the coming Imperial Conference."

Bind Empire Together

Bruce was indeed an outstanding man at the conference. He came with a definite purpose and that was to bind the empire closer together through development of inter-Imperial trade. He received little or no support from the other prime ministers, but he lost no opportunity during his stay in Great Britain of preaching this doctrine and its importance to all parts of the Empire.

Bruce was born at Melbourne, Australia, in 1884 his full name being Stanley Melbourne Bruce.

His father was a merchant and from him he no doubt secured the thorough knowledge he possesses of the fundamentals of business. A merchant has no franchise; his success depends on his knowledge of the tastes and requirements of his customers and his ability to supply those wants.

Cambridge and the Temple

He was educated at Melbourne Grammar School (of which he was captain) and afterwards at Cambridge University, where he studied law and rowed in the winning university eight against Oxford in 1906.

He was called to the bar at the Middle Temple in 1906, and practised in London until the outbreak of war, paying two visits to Central America to take evidence on commission.

On the outbreak of hostilities, he joined the British Army and fought as an officer in the 29th Division at Gallipoli and afterwards in France, attaining the rank of captain and being awarded the Military Cross and the French Croix de Guerre. He was twice wounded and in 1917 returned to Australia "unfit for further service."

In Australia he became managing director of the textile importing and manufacturing firm of Paterson, Laing and Bruce. He entered parliament as member for Flinders (Victoria) in 1918; represented Australia at the League of Nations assembly in 1921 and returned to become treasurer in Mr. Hughes' government in that year. After the election of December 1923 Mr. Hughes' party—the Nationalists was reduced in numbers,

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TAX CUTS CERTAIN BUT NO TINKERING WITH THE TARIFF

This is New Year's Message from Optimistic Ottawa

From Our Own Correspondent.

OTTAWA.—Ottawa begins the new year in a particularly cheerful mood. The large increase in imports has brought with it a rapidly expanding revenue from customs, and with eight months of the fiscal year accounted for, Mr. Robb appears reasonably certain that he will be able to make good his promise of further tax reductions. Other revenues, too, are bearing up well. The income tax and the post office department, of course, show a falling away, but excise and special taxes are all in advance of 1925-26. Mr. Robb may not have a budget surplus large enough to repeat the reductions of last session, but he will be able to give the taxpayer substantial relief, neverthless. His difficulty, indeed, is not whether there should be or can be reductions, but as to where the reductions shall be made.

Political Considerations In Taxes

The weight of competent opinion here is that there should be further income tax decreases, but, unfortunately, there are political considerations in the way. Practically every farmer organization in the west has come out against income tax reductions; and during the recent short session of parliament, western Progressives, in the course of an unofficial conference with the government, strongly stressed the same view. They declared for decreases in the tariff.

The Progressives may get their way about the income tax, but they are far less likely to have their views prevail in regard to the tariff. The Government it is understood takes the ground that pending investigations being carried on by the tariff board, there should be no tinkering with fiscal policy; and while it is quite possible that the budget will see one or two minor readjustments, Canadian industry can pretty safely make up its mind that it will not be interfered with this year, and may act accordingly. A substantial surplus, reduction of the sales tax and elimination of stamp taxes, and a few unimportant tariff changes, will probably comprise the budget.

Problems To Come Up

With the Christmas and New Year's holidays over the cabinet will be faced by a number of important problems. The report of the Duncan Maritime Commission, the importance of which has only been dimly grasped by the public; the hearing of the appeal from the Railway Commission over Crows Nest Pass rates; Mr. Forke's new settlement scheme; these and a number of other matters of hardly lesser consequence have to be grappled with. Not for a number of years, however, has there been such an absence of uncertainty or such an air of optimism for the future.

Ho! for Prosperity!

An Editorial for 1927.

A confidence, unknown in Canada for years, pervades the very atmosphere, as the old year fades. Financial and business men are talking of splendid things coming in 1927.

Doubtless statistics—records of production which indicate coming purchasing power — form the basis of many opinions; but there is a something behind this feeling of confidence other than figures. A certain nervousness which has existed in greater or less degree since 1920 is gone.

Even a year ago there were lamentations concerning our young men going to the United States; little is heard of this to-day and we are welcoming back many of our sons who had left.

A year ago railway troubles still caused perplexity although executives were optimistic. Much less is heard of this now and 1926 has proven that the optimism of Beatty and Thornton was sound. Developments in railway matters are felt to be satisfactory with only immigration needed to bring the complete remedy.

A year ago there was some dread of what might result from the spread of instalment selling and of the over-extended nature of some businesses. Such nervousness is gone.

A few years ago The Montreal Star's "Whisper of Death" editorial stirred Canada. Principally it aroused ire and protestations of the Dominion's wonderful position. But the very answers caused many to remember Shakespeare's line "He doth protest too much." "A Whisper of Death" editorial now would become a national joke. In the present mood of business men one may imagine such an editorial being derisively applauded in clubs, as English tommies are said to have applauded the requested singing of "The Hymn of Hate.'

The business community has behind it if not seven lean years at least seven trying years. It has found a solution for many problems. There has been no muddling through but much working through. The business house has been put in order. In a goodly number of cases the past year has proved profitable; frequently more profitable than any preceeding year and so with organizations properly tuned, business is confident, confident of benefiting from the good purchasing power which exists, from the mining and power developments being undertaken; confident of benefiting from what seems certain to be the biggest tourist business in all provinces, that Canada has ever enjoyed.

Optimism is always cheap; quiet confidence usually means more. The optimism of a year ago is now confidence. We have tasted prosperity in this year we are now losing. It has whetted our appetite for the bounteous repast we expect in 1927 and the years to come.

Form of Cockshutt Plow Capital Change is Not Yet Decided

Dividend Arrears Totaling 56 Per Cent. Lead Investors to Speculate

REPORT SOON READY

But Annual Meeting Will Not be Held Until President's Return from Long Tour

That there will be no immediate announcement of changes in the financial structure of the Cockshutt Plow Co. is the information given to The Financial Post. The steady rise of this stock in the last few months has been the cause of rumor that a change in capitalization was imminent. Since no full dividend has been paid on the 7 per cent. preferred stock since 1913 there are dividend arrears amounting to 56 per cent. accrued up to December 31, 1926. This fact, when added to reports of increased earnings, has led the street to guess as to what the company ought to do when it calls its shareholders together in 1927.

According to A. E. Mott, treasurer and general manager, the earnings of the company have shown a steady improvement during 1926, although even yet the company is not working to its full capacity. It is understood that earnings for the first three months of the year were exceptionally good, but that the high mark set was not maintained throughout the year. This situation is attributed in part to rather uncertain conditions in South Africa and South America.

As the situation now stands, officials of the company state that nothing definite has been decided upon with regard to any changes in the capital structure of the company. The financial year closes on December 31, and the annual report will be ready for publication about the third week in January. Whether or not a definite announcement will be made at that time is a matter for some speculation, due to the fact that Col. Harry Cockshutt, the president, is leaving on January 22, for an extended tour which is to include a visit to South America. The annual meeting of the company will not be held until Col. Cockshutt's return.

Ship 2,500,000 Tons Coal Up St. Lawrence

SYDNEY.—Up to the close of navigation 2,500,000 tons of Besco coal had been shipped up the St. Lawrence, with between 150,000 and 200,000 tons more still to be forwarded to Montreal, via Louisburg and Portland. Before the war the companies thought they were doing a great stroke of business if they managed to sell 1,500,000 tons "up the river" in a season.

BRITISH STRIKE TOOK $22,000,000 FROM OUR TRADE

Figures Now Reveal What Canada Paid For Upheaval

From Our Own Correspondent.

OTTAWA.—The economic interdependence of the world is strikingly shown by the effect of the British miner's strike upon Canadian exports. With declaration of war between miners and operators several months ago, hundreds of thousands of British workers found their purchasing power contracted. Within a few weeks this contraction began to penalize Canadian producers by hundreds of thousands of dollars. As a consequence, Canadian exports of foodstuffs to Britain show a substantial decline. The comparative figures between 1925 and 1926 (the twelve months ending November) are as follows:

	1925	1926
Butter	$10,639,949	$ 3,358,960
Cheese	33,674,081	25,244,029
Condensed milk	4,437,445	2,802,821
Milk powder	811,136	846,846
Eggs	874,656	766,173
Fresh beef	3,003,171	2,786,844
Bacon and hams	27,865,188	24,425,042
Pickled pork	274,546	263,574
Mutton and lamb	606,890	346,280
Canned Meats	185,107	82,047
Salt pork	1,133,480	943,378
Lard	1,428,220	1,011,821
	$84,933,869	$62,877,815

Canadians Lost $22,000,000

Thus, traceable almost directly to a strike in England, Canadian producers are out $22,000,000, and Canadian transportation interests and shippers have shared the blow.

In 1925 Canadian cattle exports to Britain achieved a new high total —were mentioned in the speech from the throne. This year, under the baneful influence of the British strike, they show a substantial decline. Thus:

1924	79,281	head
1925	106,122	"
1926	75,550	"

These losses account for the fact that for the first eight months of the fiscal year our export trade shows a loss of $10,000,000, as compared with the corresponding period last year.

Ottawa Somewhat Cheerful

This, while serious enough in its way, is not causing officialdom here too much concern. The decrease, it is pointed out, is due to a cause over which Canada has no control, while room for comfort is also found in the fact that in most other directions exports show a considerable advance.

Much New Zealand Butter Sells in Canada

Much of the butter being sold at present through Loblaw's Stores is coming from New Zealand because Canadian butter, which normally goes into storage in the summer months, found its way to England and the continent last summer. The New Zealand dairymen pack their butter in boxes holding 75 pounds. This larger size facilitates the grading, cutting and weighing of the butter for the Canadian market.

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Canada Better off at Present Than Any Time in Past Decade
Record Volume of Manufactures in All Lines
High Railway Earnings Reflect Business Improvement
Rural Buying Power on Upward Grade

A SURVEY of industry, business and finance in Canada during the year shows that the Dominion has made steady progress in practically every line of endeavour and in some has established new records. There have been setbacks, notably in the livestock and lumbering industries, but as a whole the economic position of the Dominion is sounder at present than any time in the past decade. While the year has not been unduly prosperous, there were few operations conducted at a loss and the outlook for a continuance of the present activity is reassuring. In certain lines, 1927 should be an outstanding year, while there are no signs at present to indicate any setback to further development.

Following is a brief review of the chief elements of business, showing the extent of the advances which Canada is making towards broader prosperity.

AGRICULTURE—The value of field crops for 1926 has been estimated by the Federal Department of Agriculture at approximately the same as last year. In some instances the yield was less but the better values prevailing were sufficient to offset loss in this connection. As a consequence, the buying power of the rural districts is expected to show no falling off next year, which in turn will mean a continuation of activity in industrial centres. Moreover, the revenue from this year's crops may be considered of more importance than that received a year ago, because the financial obligations incurred by the farmers during the years 1921 to 1924 have been paid, thus leaving them free of debt.

The monetary returns from livestock raising was a disappointing feature of the agricultural situation. While the domestic market was active the year round, foreign demand was not all that could be desired. The British coal miners' strike seriously affected exports to England. The situation at present, however, is vastly improved over what it was six months ago and the outlook is promising for increased shipments of livestock and packing house products.

MANUFACTURES.— Operations in the industrial field were featured by the greatest volume ever recorded, while on the other hand earnings did not increase in proportion. Results, however, were far from unsatisfactory and the majority of manufacturing establishments managed to consolidate their position and are now better able to realize on new business offering. In the iron and steel industries, production was uniformly high throughout the year, construction, railway orders, machinery manufacturers, etc., offering a substantial amount of work. Automobile production reached a new high mark, production for the first eleven months having amounted to 197,364 units, a total greater than that for all of 1925. Tanning, boot and shoe, textile, and other manufacturing industries all experienced a fair degree of prosperity.

MINING.—It is estimated by the Financial Post that the value of mineral production for 1926 is the highest ever recorded. Developments in Northern Ontario, Quebec, British Columbia and Manitoba yielded tangible results. Of the metallics, gold, nickel, copper, lead and zinc were outstanding, while coal, among the non-metallics, was largely responsible in establishing the new record mineral output. It is anticipated that three gold fields—Goudreau, Rouyn and Central Manibtoa—will enter the producing list next year. In addition, extensive developments taking place in the Lake St. John district of Quebec will shortly have an appreciable effect on the mineral production of that province.

FORESTRY.—Pulp and paper activities during the year resulted in a record, both from the standpoint of quantity and value. The growing dependence of the American market on Canadian mills for its newsprint supply and the rapid enlargement of plant capacity, has enabled Canada to take the lead as the world's leading producer of newsprint paper. The tendency to manufacture more and export less pulpwood was a noticeable feature of the activities of this industry in 1926.

Excessive competition and poor demand from foreign markets, was responsible for the poor showing made by the sawmill industry. The situation in British Columbia was better than in the other lumber producing areas but the industry, as a whole, was in more or less of a depression.

TRANSPORTATION.—There are few years on record which will measure up to the splendid showing made by Canadian railways in 1926. The year started off with no unusual prospects, but returns in the early months soon made it evident that earnings on operations for the year would be exceedingly large. Car loadings were considerably heavier than in the previous year, despite a smaller movement of grain. Coal, merchandise, pulp and paper and other commodities carried by Canadian railroads were substantially ahead of 1925.

As a result of the heavier freight movement, the nationally owned system during the first eleven months of 1926 reported gross earnings of $242,854,988, while in the same period the working expenses totalled $201,403,360, thus leaving net earnings of $41,451,628. The gross is the largest yet recorded for a similar period during the five years which have elapsed since the amalgamation of the various units into the present system, while the net established a new high mark in the financial history of the railway and exceeded by over $9,000,000, the total net returns for the calendar year 1925.

At the same time, the earnings of the Canadian Pacific Railway have also been running well ahead of last year and while it is possible that the gross and net will not establish a new record, yet they will rank among the highest ever earned by the company.

EMPLOYMENT.— Reports from month to month indicated substantial improvement in the volume of employment over the basic records of 1920. At the beginning of December, the situation was more favourable than on the corresponding date of any of the last five years; in fact, employment, despite the seasonal curtailment on the date under review, continued at a higher level than in any months of the years 1921-1925. Seasonal contraction in recent months has been less pronounced than is customary and it is believed that the number of employees on the payrolls of reporting firms is greater owing to the manner in which seasonal work has been extended over into the winter months.

TRADE.—Although the industrial unrest in England has been mainly responsible for the curtailment of exports of Canadian products, the total trade of the Dominion in the first seven months of the fiscal year 1926—April to October—amounted to $1,298,800,389, as compared with $1,255,835,438 in the same period a year ago. This favorable showing is due to the increase in imports rather than exports, the former having totalled $597,231,290, as against $533,545,913, while the latter amounted to $701,469,099, compared with $722,289,525. Animals and animal products and non-ferrous metals and their products account for practically all of the decrease in exports. The improvement in the English market in the past couple of months presages a new high record for Canadian trade during the present fiscal year.

FINANCE.—New financing done during the year was more extensive than has been the case for a long time. Money was plentiful and could be had at low rates. Bond issues were particularly heavy, especially corporation issues. The lack of government financing was instrumental in creating a strong market for municipal and industrial bonds, which, instead of falling off in value owing to the upward trend in common stocks, as is usually the case, held their own and in some instances recorded substantial advance in price. The market for common stocks of industrial companies was featured by a bull movement and many issues touched new "highs." A similar condition existed for mining stocks owing to the favorable results achieved in Quebec and Northern Ontario mining fields.

INCOME TAX PROBLEMS

Many Kinds of Dividends; All Are Taxed

By an Income Tax Expert

PROBLEM NO. 5.

Dividends, "for taxation purposes" are to-day very different from the normal conception of a dividend. For income tax purposes, dividends arise in some very extraordinary circumstances.

Under the Income War Tax Act corporate income may become taxable as against shareholders in any of the following ways:

1. Cash dividend in the ordinary way.
2. Stock dividend, whether the shareholder has or has not the option to take stock as fully paid up or cash.
3. On the redemption of common stock.
4. On payment of a premium in the redemption of stock.
5. On loan to a shareholder by a corporation not legally empowered to make a corporate loan to its shareholders.
6. On the receipt by a company of a dividend, when the dividend receiving company was formed at the instance of the shareholders of the dividend paying company, and the dividend applied in liquidation of a debt to the said shareholders.
7. On the winding up, discontinuance or re-organization of a business having a surplus on hand at the time of such action.
8. On re-organization or adjustment of capital stock when part of the earned surplus is capitalized.
9. Without any corporate action, merely on ministerial statutory authority when the surplus is regarded as in excess of what is reasonably required for the purposes of the business.
10. On election to be treated as a "family corporation." This takes place when—
    (a) 75 per cent. of the stock held by the members of one family so elect, or
    (b) 80 per cent. held by one family, together with those actively engaged in the business of the corporation so elect.
11. By reason of a company coming within the meaning of "personal corporation," i.e., the majority of the stock being held by one person, his family or agent, and the income of the company being derived to the extent of one-quarter from stocks, bonds and similar investment.

Quite a formidable list and certainly calling for care and consideration of a major character when it is remembered that to-day dividends are no longer exempt from the normal tax of 8 per cent.

Caution Is Needed

As ignorance of the law excuseth none, so corporate action, inadvertently causing the shareholders to fall into tax liability does not afford a ground for exemption from tax even though the corporate action might have been taken in some other way. Be, therefore, cautious and astute, not to avoid taxation, but to pay no more than the law requires.

Obviously there are innumerable problems involved in and arising out of such legislation.

Fundamental to all is the legal requirement that the definition of "income" be satisfied. Otherwise there is no tax liability. The act provides that "there shall be assessed, levied and paid upon the income of every person....the following taxes." And income is defined:

"For the purposes of this Act 'income' . . . shall include the interest, **dividends** or profits directly or indirectly received . . . and also the annual profit or gain from any other source."

And subsection 5 provides:

"Dividends declared or shareholders' bonuses voted . . . shall be taxable income of the taxpayer in the year in which they are paid or distributed."

Special Rule on Stock Dividends

Cash dividends clearly come within this definition. As to the stock dividends, however, (No. 2 above) an amendment provided "dividends shall include stock dividends."

As to Numbers 3 and 4 above, last session it was enacted:

"Where a corporation having undistributed income on hand reduces or redeems any class of the capital stock . . . the amount received shall . . . be deemed to be a dividend . . ."

By a qualification of this subsection it really applies to the common stock. Such shareholders will be taxable on the amount received for their stock. It also applies to preferred stock in respect of the amount received in excess of the amount stipulated for in the agreement at the time of the issuance of the stock plus a fixed premium. In either case, however, the section is not applicable to redemptions prior to 16th April, 1926.

Loans to Shareholders

Similarly loans to shareholders (No. 5) become taxable as a dividend unless the loan was made as incidental to the business of the corporation or by a corporation authorized to make loans to its shareholders, such as banks, trust and loan companies, insurance companies, and such like organizations.

Number 6 is technical. It is difficult of comprehension by mere perusal, so will not be set out either in whole or in part. It was enacted by reason of the fact that a corporation receiving a dividend from a Canadian company is not liable to taxation (this is fundamentally to be remembered) together with the fact that the act taxes only what is "income" not capital. Smith and Jones are shareholders in Brown Company, which has a substantial surplus which Smith and Jones want free of tax. So they incorporate Green Company, sell their shares in Brown Company to Green Company, taking Green Company's note in payment. Brown Company then declares a dividend to Green Company. Green company is

(Continued on page 14)

Canadian Business Indicators

Compiled weekly by The Financial Post

	1926	1925	
Car loadings, week Dec. 18	63,590	64,760	— 2%
Year to date	3,155,953	2,899,518	+ 8%
Merchandise shipped, year to date	826,031	770,771	+ 7%
Building permits—November, (63 cities)	9,968,937	7,988,765	+ 24%
Construction contracts awarded, November	34,972,800	46,972,800	— 26%
Railway Earnings—Ten Months—			
C.P.R. gross	158,709,494	144,243,276	+ 10%
C.P.R. net	36,579,221	29,079,949	+ 26%
C.N.R. gross, 11 months	242,854,988	221,119,532	+ 9%
C.N.R. net	41,451,628	26,916,205	+ 64%
Pig Iron Output—tons, November	52,345	68,535	— 23%
Steel Ingot production, November tonnage	54,311	73,205	— 25%
9 months to November 30	718,395	690,342	+ 4%
Employment—December index	101.1	95.3	
Newsprint production—October tonnage	168,860	137,506	+ 22%
Automobiles produced—(11 months to November 30)	197,364	153,317	+ 29%
Immigration, 9 months, to September 30	112,835	67,878	+ 67%
Business failures—No. of firms, 9 months to Sept. 30	1,513	1,538	
Liabilities, 9 months	19,191,301	26,550,375	— 27%
Imports of key commodities, 12 mos. ending October 31—			
Rubber (raw, in pounds)	46,679,016	41,660,915	+ 12%
Cotton (in pounds)	137,179,586	116,429,306	+ 17%
Crude petroleum (in gallons)	661,854,268	501,159,235	+ 32%
Exports of key commodities, 12 months ending October 31—			
Canned salmon, cwt.	612,053	746,970	— 18%
Newsprint, cwt.	33,629,489	27,097,078	+ 24%
Wheat flour, bbls.	10,562,843	9,779,782	+ 7%
Wheat, bushels	253,138,477	187,325,992	+ 38%
Grain receipts, Aug. 1 to Dec. 3	212,395,405	237,122,870	— 10%
Bank clearings, November	1,732,877,285	1,666,827,443	+ 4%
Savings deposits, Oct. (chartered banks)	1,347,564,144	1,277,588,281	+ 5%
Current loans, Oct. (chartered banks)	983,440,760	906,249,140	+ 8%
Exports, 12 months to October 31	1,293,639,169	1,198,546,389	+ 8%
Imports, 12 months to October 31	991,114,109	865,165,383	+ 14%
Balance of trade, 12 months to October 31	302,525,060	333,381,006	— 9%
Price level, November index, 236 commodities	151.5	161.2	
Pig iron (Number 1 foundry) Dec. 16	25.80	Nov. (Aver.)	26.85
Cattle—Good, Toronto, Dec. 27	7.25	Dec. (Aver.)	$7.62
Wheat, No. 1, Nor. Winnipeg, Dec. 27	1.37	Dec. (Aver.)	$1.57
Hogs—Select, Toronto, Dec. 27	10.25	Dec. (Aver.)	$13.25
Bond sales, 11 mos. to Nov. 30	543,241,995	443,577,564	+ 22%

Wool Co-operative Meet in West

For the first time since the Canadian Co-operative Wool Growers was organized in 1918 the annual meeting will be held in the West. Lethbridge, the centre of the range wool territory of southern Alberta, has been selected for this purpose, the Co-operative having accepted the invitation of the Southern Alberta Sheep Breeders, Limited, which organization is looking after local details of the meeting. As southern Alberta alone contributed over a million and a quarter pounds of wool, or more than ten per cent. of Canada's total clip, a very large gathering of sheepmen from that district is expected. In addition there will be some twenty-five official delegates, directors and officers, from eastern Canada, as well as numerous representatives from Manitoba and Saskatchewan.

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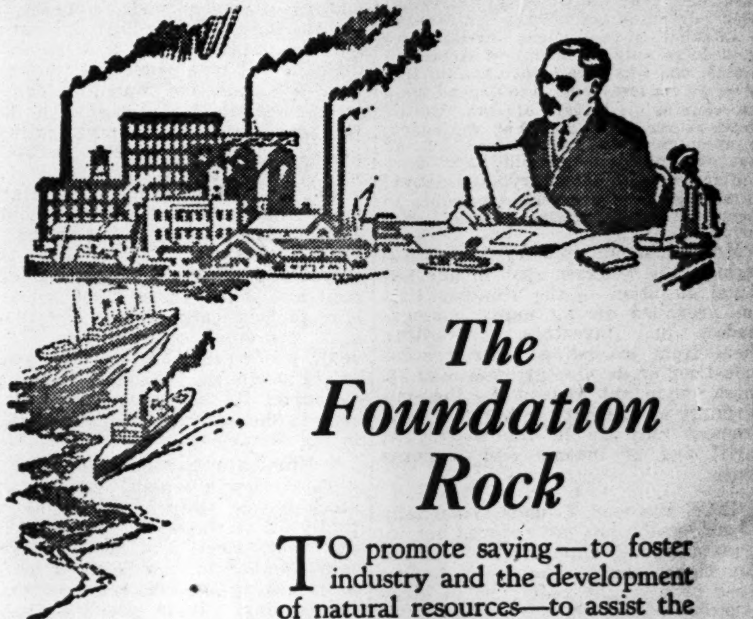

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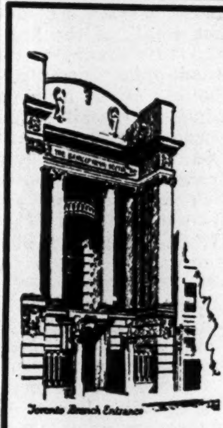

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Peace River, New Wonderland of North, Calls for People and Pacific Outlet

It Was a Peace River Farmer Who Brought Canada Fame by Winning This Year's Wheat Crown—Here a Peace River Bank Manager Tells Something About This Rich Hinterland, the Last Great West

By JOHN A. G. CLOKIE,
Manager, Imperial Bank of Canada, Grand Prairie, Alta.

What further proof can be desired of the fertility and productivity of the Peace River Country than the winning of first place at the International Hay and Grain Show, at Chicago, by Herman Trelle, of Wembley, Alberta, in the heart of the Peace River District, not only in hard wheat but also oats; a remarkable achievement not hitherto attained by any previous exhibitor in the history of the show.

This vast hinterland or "Hidden Empire," where Herman Trelle grew his wheat and oats, is 226 miles, as the crow flies, northwest of Edmonton, Alberta, and its somewhat northern location has led most people to discount its agricultural possibilities. The accomplishment of Herman Trelle at the Chicago Fair is the latest demonstration of its ability to compete with other parts of Western, if not the whole of Canada. Because of an exceptionally favorable climate, with a moderate but ample precipitation, coupled with a deep fertile soil, rich in vegetable humus and nitrogen, it is assured of becoming one of the most productive parts of Canada at a not very distant date.

Has 130 Growing Days

The seasons are no different from the rest of Canada and it has an estimated 130 day growing period per annum. A visitor is struck by the luxuriant growth everywhere; wild fruits, berries, hay meadows and flowers are to be found in profusion, and cultivated fruits grow superabundantly. The whole area of the Peace River country where not heavily timbered is park land; there are no desert or barren areas, such as are encountered on some parts of the prairies. The vast plateaus, varying from 2,600 to 1,000 feet above the sea level, lend themselves to the growing of all kinds of grains, grasses, vegetables, fruits and flowers. Wheat yields this year are unsurpassed in the history of Western Canada, one man reporting 72 bushels per acre from 15 acres; another 70½; others 68; and many more over 60. Oats threshed as high as 120 bushels per acre in one or two cases and 100 bushels per acre was quite a common occurrence.

Immense Timber Reserves

Besides the agricultural possibilities, there are timber reserves. In 1911, the Dominion Forest Service estimated 26,000,000 acres of timber, one quarter of merchantable size with one-third young growth, of which white spruce, aspen, poplar are the most predominant, but fire has done some damage. However, it is still estimated there are 8,000,000,000 board feet, besides 90,000,000 cords of wood, railway ties, posts, etc. At the present time there is more lumber being manufactured than can be consumed in the Peace River country. Total output for 1926 was well over 20,000,000 board feet.

There are two places on the Peace River where water power can be developed; one, at the most Westerly part of the country, the Rocky Mountain Canyon, could develop a maximum of 245,000 h.p. for six months, and the other, at the Vermillion Chutes, at the Eastern part, a maximum of 27,000 h.p. for nine months of the year.

Coal is Found Extensively

Coal is found extensively in all parts, most notably at the Rocky Mountain Canyon, where there are several high-grade bituminous seams, and on the Smoky River, a fourteen foot seam of semi-anthracite, probably one of the most valuable of Western Canada, but unworkable at the present time owing to the distance from a railway.

There is every indication that there are huge underlying reservoirs of oil, suggested by seepages of natural gas, crude oil and tar at several places. Some drilling has been done. One well, at Pouce Coupé, at 1,675 feet has a flow of 10,000,000 cubic feet of dry gas per day.

There are beds of gypsum, 10 to 50 feet thick along the banks of the Peace River below Fort Vermillion. Deposits of salt and brine springs are also in evidence. Clay suitable for the manufacture of brick and tile is also to be found.

Fish, Fur and Game Abound

Six hundred thousand pounds of whitefish were taken from Lesser Slave Lake in 1925, a record catch for there. Some of the other lakes have fish in commercial quantities, but Lesser Slave Lake is the only one that provides a surplus for shipping outside the country. This fish finds a ready market in Chicago.

Fur trading, which first brought the white man into this North country, still holds an important part in the business of the Peace River district. This will be so for many years to come, as, while the Peace River country may grow, it will always be surrounded by forests and wild land, which will be fur producing from their very nature. Shipments of fur for the 1925-26 season amounted to approximately $2,500,000.

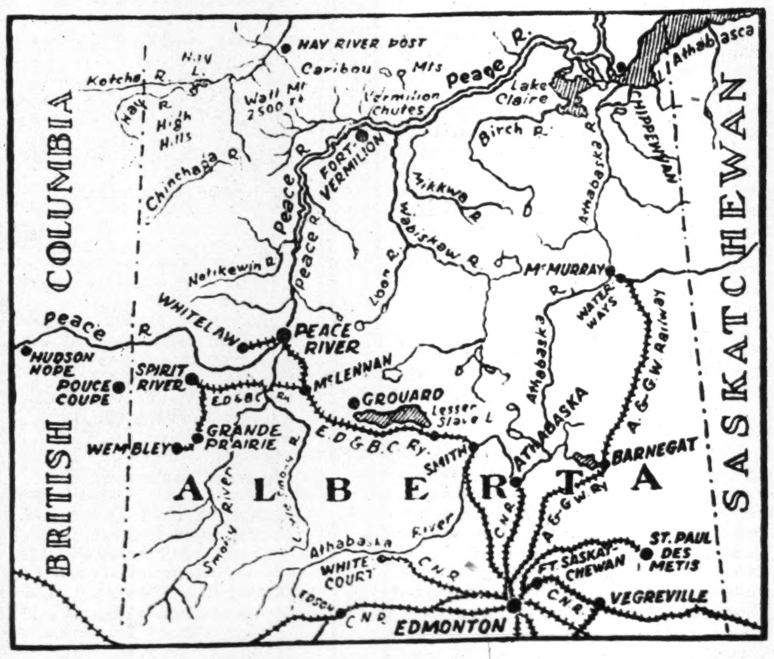
The close proximity of the Rocky Mountains, which are the natural western boundary, insure a continued growth of tourists and hunting parties, which professional guides now find a very lucrative business. Parties in increasing numbers come from New York and the Eastern States for hunting trips. Black, brown and grizzly bears, moose, deer, caribou, mountain sheep and goats are included in the bag of nearly every visitor.

Besides all these natural resources and agricultural possibilities, a great deal of attention is paid to livestock raising. In fact, in most cases, in the outlying districts, the farmers have found it more economical to market their grain in the form of finished hogs than to sell the grain itself. There were about 1,000 cars of livestock shipped in 1925. The production of creamery butter at these points is also considerable. A creamery at Valhalla produced 140,000 pounds in 1926 and the one at Pouce Coupe, 90 miles from a railway, 31,273 pounds. Other creameries are located at Grande Prairie, Berwyn and Falher. Turkeys are also produced in ever increasing numbers and are of an exceptionally fine grade.

It is difficult for those "outside," using a colloquialism, to realize that in the Peace River country, which includes the Peace River Block of British Columbia, there are 73,500 square miles, comprising 47 million acres, an area larger than North Dakota, of which at least 10 million acres would be easily cultivated under the most advantageous conditions, with the most beautiful scenery within easy reach of all. Take, for instance, the plain of Grande Prairie on the north, bounded by the mighty "Peace," with banks reaching 1,000 feet in height, and on the east, by the Smoky River, with banks 300 to 500 feet in height, on the south, the Wapiti, a still smaller stream, but with banks approaching 300 feet in height in places. The snow clad peaks of the Rockies in the west, complete the delightful scene, which inspired the first who witnessed it to exclaim "La Grande Prairie," which name it has ever since retained.

Canyon is Enthralling Spectacle

Then the Rocky Mountain Canyon, where the Peace broke through the Rocky Mountains at some early date, and of which as yet no photographs have reached the "outside" depicting its magnitude and magnificence, affords an enthralling spectacle which has only been witnessed by the few but which will be the greatest tourist attraction of Western Canada when it is more easily accessible. At present it can only be reached by pack horses. The river here in mid-stream attains a flow of 10.5 miles per hour. It is a beautiful trip on the steamer "D. A. Thomas" from Fort Vermillion to Hudson's Hope, with the towering banks of the Peace on either side and here and there the few scattered settlements, which are dependent in the summer on the steamer for communication with the outside world. The chutes of Fort Vermillion do not approach the Rocky Mountain Canyon in magnitude, but are a gorgeous sight.



This map of the Peace River Country shows the location of Wembley, where the wheat championship was won. Map from the Vancouver Province.

The Peace, which runs through the centre of the Peace River Country, and from which the country gets its name, from the earliest time was one of the chief arteries of transportation, draining into Lake Athabasca.

Sir Alexander MacKenzie, in his travels of exploration, in the fall of 1792, chose the very heart of the Peace River country in which to winter. The ruins of his post "The Fort of the Forks," can still be seen at the point where the Smoky runs into the Peace. A fur trading post was established at Dunvegan in 1800, about 45 miles up stream from The Fort of the Forks, and in 1805 another post at Fort St. John was started, 100 miles upstream from Dunvegan. The postmaster at Dunvegan, over 100 years ago, reported common vegetables would grow and also ripened a small plot of barley. Quite early wheat was ripened at Fort Vermillion, where now a substation of the Dominion experimental farms is stationed. Another one at Beaver Lodge in the Grande Prairie district is also conducting most interesting experiments each year, adding to the list of plants, etc., grown.

Settlement Began in 1911

There was no settlement of the country, however, in 1911, when the census showed about 2,000 people scattered all over. A rapid influx from then on brought in the railway in 1916 and in 1921 the census showed a population of 20,000. There are one or two French settlements, but otherwise, outside of a small settlement of Austrians, the people are predominately of English speaking origin with a strong sprinkling of soldier settlers who came in the early post-war period. Economically, the country has arrived at a prosperous stage. Even before the present bumper crop this was in evidence everywhere.

The railway service, unfortunately, is roundabout and inadequate. It is a fact that the produce, especially from the Pouce Coupe district, after traveling 90 miles to the railroad and then 422 miles by rail to Edmonton, is still farther from Vancouver than when it started. A freight rate of 49c. per hundred lbs. to Fort William, 43c. to Vancouver, until 1925, when it was reduced to 28c. per hundred to Vancouver and 35½c. to Fort William, together with the depressed price of grain in the later post war years made grain farming most unprofitable and with the rest of Western Canada a more diversified farming policy, more particularly including the dairying, poultry and hog raising branches, has brought the community to its present prosperous state. The provincial Government Cow Bill Loans of 1917 did more than

(Continued on page 7)

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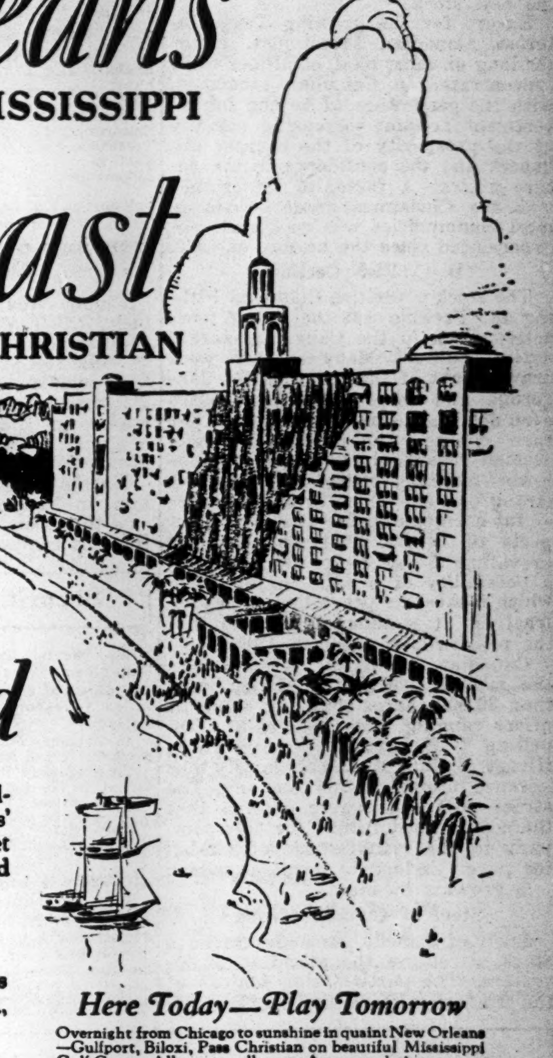

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Stock Market

STOCKS CONTINUE STRONG AT END OF BULLISH YEAR

Canadians Buy in Texas, But Otherwise Concentrate on Own Securities

MARKET INDICATOR

20 Industrial Stocks

	High	Low
Week of Dec. 29	97.5	94.9
Week of Dec. 22	97.6	94.7
Month of Dec. 1925	80.8	73.3

9 Bank Stocks

Week of Dec. 29	$230	$229
Week of Dec. 22	229	228
Month of Dec., 1925	223	222

10 Public Utilities

Week of Dec. 29	100	98
Week of Dec. 22	101	99
Month of Dec., 1925	94	90

The stock market reaches the end of the year with few disturbing factors, although there are the inevitable indications of softness in some groups and in a few individual stocks. The duration of the bull movement is anyone's guess. It is predicted that the general level of prices will remain high. Interest is inclined to concentrate to a greater degree in the oil group. There are rumors of very fat earnings for some of these companies, with prospects of melons to be distributed within the next few weeks, and it is noted that there is considerable Canadian buying in the Texas company. British - American oil reached a new high on speculation as to the dividend rate to be established the new stock.

Except for the growing Texas interest, Canadian investment, either for long or short haul, continues to be concentrated in Canadian securities, with the percentage of buying for investment account increasing steadily as the prosperity of the country enhances and the confidence in the future grows. A factor of importance was the Christmas trade, which in most communities was on a scale not experienced since the heyday of 1920.

B. C. Fish Declines

The stock of British Columbia Fishing and Packing was the second most active stock in the Canadian market during the week. Many investors were drawing out of this issue as too dangerous and some brokerage houses even declined to trade in the stock for their clients. The market, however, seemed reasonably absorptive in the lower eighties, there still being a strong element which believes rumors of fat earnings during 1926 and prospects of better dividends than the prevailing 5 per cent. There also is a possibility of a split in the stock which makes the prevailing prices attractive. It is thought possible that the price will go somewhat lower.

Canadian Industrial Alcohol was the most active of the stocks, more than 30,000 shares changing hands at prices ranging from 28⅛ to 31. Dispelling of rumors concerning Hiram Walker distillery hardly has lessened interest in this company. The street now has sagely decided that there is a good future for this company in the manufacture of alcohol for purely industrial purposes, which is a growing business.

Steel of Canada Strong

Steel of Canada continues to be a stock attracting the attention of investors. The participating feature of the preferred keeps that stock somewhat higher than the common. Bearish factors are almost totally absent and there are predictions of increased distribution of profits, which are known to be good.

Laurentide remained the leader in the pulp and paper group, although its high for the week was nearly six points under the high for the year. The pulp and paper group generally has shown some indications of softness, presumably on discussion of possibilities of overproduction in the industry.

Canada Life at $500

In the inactive stocks, a new high for Canada Life, $500, was noted, and drew attention to the healthy condition prevailing in most of the life insurance companies, due to the enormous growth of this business in the last few years, even aside from the comparatively new form of insurance known as group.

International Nickel continued to move upward, it being believed, both in Canada and in Wall Street, that the company has tided over the severe readjustment period and is now on the high road to real prosperity.

Mining stocks generally continued to be active, with interest centered largely in the Quebec group. There are predictions of continuance of the bull market for at least two months. Area was the most active, with transactions totalling 750,000 shares and the price ranging from 76 to $1.40. There was a profit taking at the higher levels. There continued to be heavy trading in Duprat, Amulet, Laval and two new issues which were strong and active were Corona and Grover-Daly. There was heavy selling of Wright-Hargreaves, a dividend payer. The selling, it was said, came from a Buffalo broker who was getting his clients into another stock. The market readily absorbed the offerings and the close was strong.

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	5	2	2	9
Paper	2	6	6	14
Steel	6	10	18	34
Foodstuffs	11	11	18	40
Utilities	13	4	13	30
Tractions	4	2	8	14
Textiles	6	3	7	16
Industrials	7	15	27	49
Total	54	53	99	206

Earnings of Gooderham Worts Down Slightly

Rumors that the present management of G. & W. would use the Walker connection in such a way as to milk the profits in G. & W. have been emphatically denied and it is affirmed that the largest stock holders in G. & W. have not given up a single share to make possible the absorption of the Walker Company.

Earnings of G. & W., while not as high in December as November, are said to continue good and the outlook for this company is bright.

Securities at Auction

At recent auction sales in various American cities there have been numerous sales of securities of interest to Canadian investors. Some such transactions follow:

80 Saguenay Pulp & Power common and 24 preferred (each par $5) $2 for lot.

160 Saguenay Pulp common and 48 preferred, $4 for lot.

8,000 rubles, Russian, 5½'s, war loan of 1916—$17 for lot.

4,000 rubles, Russian, 5½'s war loan of 1916—$6 for lot.

Gartshore Acquires Process

The Gartshore Thomson Pipe & Foundry Company, has acquired the Canadian rights for a new process of pipe-making which has been outstandingly successful in the United States in improving the quality of the product and in reducing costs.

Life Insurance Sales in Canada

	1922	1923	1924	1925	1926
January	$27,432,000	$28,108,000	$30,673,000	$30,838,000	$33,907,000
February	26,023,000	25,409,000	30,704,000	28,698,000	34,744,000
March	27,516,000	28,142,000	34,383,000	35,001,000	40,483,000
April	26,547,000	29,966,000	32,603,000	35,872,000	37,346,000
May	30,413,000	29,762,000	33,368,000	34,377,000	37,703,000
June	33,437,000	31,865,000	34,295,000	42,307,000	44,634,000
July	26,119,000	31,539,000	33,205,000	37,671,000	40,101,000
August	26,720,000	31,065,000	27,983,000	31,724,000	36,010,000
September	25,081,000	25,979,000	30,029,000	33,543,000	34,878,000
October	29,102,000	33,470,000	32,483,000	36,259,000	40,226,000
November	29,664,000	34,165,000	34,357,000	36,760,000	44,251,000
December	32,995,000	37,377,000	37,120,000	41,822,000	....

*Companies having in force 84 per cent. of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

STERLING APPRAISAL COMPANY
LIMITED
9-11 E. Wellington St., TORONTO

Sterling Security Reports are prepared by Registered Professional Engineers

RESERVE LIQUOR IS BIG ASSET IN WALKER PLANT

Goodwill Also is Feature Not Figured in Hatch Purchase Price

SCALE DOWN CAPITAL

Bank Carries Nearly Third of $15,000,000 Outlay—Nothing to Fear from Customs Inquiry, It is Said

Ever since the announcement of the consumation of the Walker deal, investors have held their ears close to the ground for new information; interest in the securities of the new company has overshadowed those of all other distilling stocks. It is not expected that the Walker issue will be ready before January 15 yet it is estimated that it is already oversubscribed five fold. Possibly a great many of the distilling stock investors have or are preparing to switch their investments to Walker. The Walker issue will establish a record for popularity.

In spite of the fact that the transaction of a week ago involved an outlay of $15,000,000 the capital outstanding will be much less. It is stated that there will be 400,000 shares of stock $25 par value, issued. Of this amount 160,000 shares are to be offered to the public, the balance has been taken up by interests closely allied to Gooderham & Worts. The Walker family have taken some of the stock.

Bank Loans $4,000,000

Of the $15,000,000 involved in the Walker deal $4,000,000 is to come from the public and $6,000,000 from private interests identified with Gooderham & Worts. The $4,000,000 bank loan will be liquidated shortly through the sale of mature stock on hand, and $1,000,000 from receivables.

The consensus of opinion on the street is that Harry Hatch made a good buy, there are over 7,000,000 gallons of mature stock at Walkerville which came along with the plant equipment, receivables and goodwill in the $15,000,000 deal. Although it is difficult to estimate the value of this stock, since it could not and will not be liquidated at once, yet the stock has at present a bottom price of $4.50 per gallon and a top price of $6 per gallon. Five dollars would be a fair average or $20,000,000 for the total stock.

Canadian Club Widely Known

The goodwill of some of the Hiram Walker brands is very valuable, Canadian Club has a world-wide reputation and a ready sale everywhere. With the new selling organization, the prestige of these brands will be unquestionably furthered to the end of the world.

Anyone who has passed through Walkerville cannot but be impressed with the condition of the Walker plant. It is reputed to be one of the finest on the continent.

Among the other bullish factors in the Walker deal are the comparative low stocks maintained by the American distilleries. The stock market is deliberately ignoring the nominal existence of Prohibition in the U. S.

Earnings are Substantial

Hiram Walker's record of earnings for six years after deductions of depreciation and depletion is $1,250,000, or 12½ per cent. on the new capital annually. This admittedly is the substantial record and bears up well with any other similar stocks on the basis of assets, past earning power and prospective earning power. The new Walker capitalization seems to be conservative. The management of the company will be aggressive and similar to that which has brought G. & W. to the fore.

There are bearish factors. The customs probe is coming to Ontario shortly and many investors look askance but those close to the company assert that it has nothing to fear from the probe.

Although the market on G. & W. suffered by the news of the Walker deal on the whole the news was extremely favorable. Since the management of the two companies will be identical, many economies will be effected in buying and selling and the closest co-operation is anticipated. There have been reports that the two companies will amalgamate. This appears far off, for many self-evident reasons. First of all an amalgamation might result in fresh competition. Secondly, since the co-operation will be close no great further economies could be effected.

January Dividend Payments

SUMMARY OF PAYMENTS

Dividends	$21,697,969
Bond interest	13,797,496
	$35,495,465

DIVIDEND PAYMENTS

Company	Rate	Date	Amount
Abitibi Paper, com.	$1.25q	20	$312,500
Do. pref.	1¾q	3	17,500
Amer. Cyan., c. A & B	20c+10c	3	98,914
Do. pref.	$1.50	3	83,938
Asbestos Corp., pref.	1¾q	15	130,487
Alta. Pac. Grain, pref.	1¾q	1	52,500
Amer. Salesbook, com.	$1.00q	3	30,733
Barcel. Tr., non-cum. pfd.	1¾	1	406,855
Belgo-Can. Paper, com.	1½q	10	127,500
Do. pref.	1¾q	2	87,500
Bell Telephone	2q	15	973,892
Brand-Henderson, pref.	1¾q	1	8,750
Brantford Cordage, pref.	2q	15	40,000
Brazilian Tr., pref.	1½q	1	150,000
Brit. Amer. Oil	62½c+50cx	2	302,895
Building Prod., pref.	1¾q	2	13,006
Burt, F. N., com.	75cq	3	78,915
Do. pref.	1¾q	3	2,090
B.C. Elec., cum. pref.	2½s	15	174,600
Brompton Pulp, com.	50cq	15	70,000
Brewers & Distillers	2½	15	7,500
Canada Biscuit, pref.	1¾q	..	61,582
Canada Bread, 1st pref.	1¾q	1	21,875
Do. pref. (B)	1¾q	1	43,750
Canadian Car, pref.	1¾q	10	132,250
Canada Cement, com.	1½q	17	202,500
Can. Canners, pref.	1q	2	91,142
Can. Conn. Cotton, pref.	1q	3	30,000
Can. Cottons, com.	2q	4	54,310
Do. pref.	1½q	4	54,922
Can. Explosives, com.	2q	30	208,548
Do. pref.	1¾q	15	81,375
Can. Gen. Elec., pref.	1¾q	1	149,759
Can. Ind. Alcohol	32+20qx	15	416,000
Can. Loco., pref.	1¾q	1	26,250
C. N. Prairie Lands	5s	15	75,000
Canadian Salt	2q	1	30,000
Can. Westinghouse	2q	1	148,658
Can. Paperboard	1¾q	1	5,250
Can. North. Pr., pref.	1¾q	15	83,125
City Dairy, com.	75c+1qx	3	16,950
Do. pref.	1¾q	3	12,250
Canada Iron, pref.	4	15	155,112
Consumers Gas	2½q	3	250,000
Cons. Smelters	5+5x	15	1,276,530
Canadian Oil, pref.	2q	1	40,000
Dominion Bridge	2x	3	130,000
Dom. Engineering	3	10	66,699
Dome Mines	50cq	20	476,667
Dom. Glass, com.	1¾q	3	74,375
Do. pref.	1¾q	3	45,500
Dom. Power, pref.	1¾q	15	74,182
Dom. Stores, com.	60cq	1	45,000
Dom. Textiles, com.	$1.25q	2	281,250
Do. pref.	1¾q	15	33,960
Duluth-Sup. Tr., pref.	1q	1	15,000
Dunlop Tire, pref.	1¾q	1	10,500
Donnaconna Paper, pref.	1¾q	1	29,312
East. Can. Stores, pref.	1¾q	15	4,375
Eastern Theatres, pf.	3½s	31	17,500
Fraser Co., com.	½q	1	34,125
Do. pref.	1¾q	1	40,687
Frontenac Brew., pf.	1¾q	1	6,562
Gotfredson Corp.	37½cq	15	37,500
Goodyear Cot., pref.	1¾q	1	8,312
Goodyear Tire, pref.	1¾q	2	78,750
Do. Prior pref.	1½q	2	51,747
Gould Pumps, com.	2+2qx	2	29,900
Do. pref.	1¾q	2	13,080
Greening Wire, pref.	1¾q	1	11,375
Gilman Fanfold, com.	1½q	3	15,000
Do. pref.	1¾q	3	13,125
Hillcrest Coll., com.	1½q	15	15,000
Do. pref.	1¾q	15	12,349
Hollinger Mines	2m	28	492,000
Holt Renfrew, pref.	1¾+3½x	3	57,500
H. Smith Paper, pref.	2q	10	31,994
Hudson's Bay	10	1	720,000
Do. pref.	5	1	480,000
Inter. Utilities "A"	87½cq	15	111,517
Illinois Traction, pref.	1½q	2	109,342
Inter. Paper, pref.	1¾q	15	483,022
Do. pref.	1½q	15	63,280
Inter. Power, pref. 1st	1¾q	1	70,000
Jamaica Pub. Ser., pref.	$1.75q	3	14,512
Kerr Lake Mines	12½cq	15	75,000
Loew's, London, com.	25c	15	1,875
Do. pref.	3½s	15	22,886
Mining Corp.	12½cq	15	207,506
Laurentide Paper	1½q	3	432,000
Laurentide Power	1¼q	15	131,250
Loew's, Marcus, pref.	3½q	15	22,886
McKinnon Ind., pref.	1¾q	1	17,500
Mont. L H & Pr. Cons.	33 1-3c‡	31	673,945
Mackay Cos., com.	1¾q	3	724,157
Do. pref.	1q	3	500,000
Maple Leaf Mill, pref.	1¾q	18	51,275
Mining Corp.	12½c	15	207,506
Mari. Teleg., com.	1½q	1	12,750
Do. pref. (A)	1½q	1	15,000
Do. pref. (B)	1¾q	1	26,250
Montreal Telegraph	2q	15	40,000
Montreal Trams.	$2.50q	15	100,000
Mt. Royal Hotel, pref.	3	5	196,629
Mercury Mills, pref.	1¾q	15	15,750
Nat. Grocers, 1st pref.	2q	1	20,000
Do. 2nd pref.	1¾q	1	48,772
Nat. Breweries, com.	$1.00q	1	180,265
Do. pref.	1¾q	1	48,562
Nipissing Mines	3q	20	180,000
North St. Oil, pref.	1¾q	3	17,500
North. Mex. Pr., com.	1	15	100,000
Do. pref.	1¾q	3	52,500
North Can. Pr., com.	¾q	10	45,000
Nor. Ont. L & P pref.	3s	25	72,000
Ogilvie Mills, com.	$1.25q	1	93,750
Ottawa L H & Pr. com.	1½q	1	52,500
Do. pref.	1¾q	1	24,375
Ottawa Mont. Pr. pref.	1¾q	15	13,125
Ottawa Traction	1+1qx	2	111,630
Pacific Burt, com.	1½q	3	9,813
Do. pref.	1¾q	3	11,301
Page-Hersey, com.	75cq	1	83,340
Do. pref.	1¾q	1	52,500
Penn. Water & Pr.	2q	1	214,924
Porto Rico Rlys, pref.	1¾q	3	75,500
Power Corp. of Can. pf.	1½q	15	37,500
Porto Rico Rlys., com.	1	15	30,000
Price Bros., com.	½q	2	213,416
Do. pref.	1⅝q	2	113,750
Premier Mining	8cq	3	400,000
Prov. Paper, com.	1½+qx	3	52,500
Do. pref.	1¾q	3	29,750
Quebec Power, com.	1½q	15	59,986
Do. pref.	1¾q	3	61,989
Rogers, Wm., pref.	1¾+1¾†	3	39,298
Quinte & Trent Pr., pf.	1¾q	1	5,250
Sher.-Williams, com.	1½q	1	60,000
Do. pref.	1¾q	1	60,112
Shawinigan W. & Pr.	2q	10	500,000
Shredded Wheat	75cq	1	300,000
South. Can. Pr., pref.	1½q	15	71,422
Span. River, Pulp, com.	1¾q	15	165,322
Do., pref.	1¾q	15	150,840
Sterling Coal	1q	3	25,000
Stanfields	25cq	10	2,500
St. Maur. Val., pref.	1¾q	3	75,250
St. Law. Paper, pref.	2q	2	50,000
Trinidad Elec.	1¼q	10	14,550
Tuckett Tobacco, com.	1q	15	25,000
Do., pref.	1¾q	15	35,000
Twin City, com.	$1.25q	1	275,000
Do., pref.	$1.75q	1	52,500
United Secs., pref.	1½q	2	76,879
Wayagamack, com.	75c	3	75,000
Wabasso Cotton	1+x50c	2	52,500
Western Grocers, pref.	1¾q	15	20,899
West Koot. Power, pref.	1¾q	2	8,750
Winnipeg Elec., pref.	1¾q	1	52,500
Woods Mfg., pref.	1¾q	3	26,744
			$19,342,941

BANKS

Dominion	3+1qx	3	240,000
Montreal C. & D.	$2.50q	3	49,952
Nova Scotia	4q	3	400,000
			$689,952

TRUST LOAN AND INSURANCE

	Rate	Date	Amount
Brit. Mortg and Trust	6+x2s	3	45,512
B. C. Perm. Loan	3s	15	28,335
Canada Landed	2½+x1q	3	42,175
Canada Life Assur.	5q	3	50,000
Canada Perm. Mtge.	3q	3	210,000
Can. Mortgage Invest.	2½s	2	31,125
Canada Trust	5s	2	50,000
Can. Perm. Trust	1¼q	3	12,500
Central Can. Loan	3+x8q	3	192,500
Chartered Trust	1¼q	1	11,718
Colonial Invest., pref.	6y	1	19,416
Crown Trust	1½q	1	7,500
Comm. Finance, com.	$2	1	12,000
Do., pref.	3½s	1	49,000
Dom. of Can. Guar. & Acc.	4¼q	1	17,127
Excelsior Life	4s	2	5,600
East. Can. Savings	..	..	15,000
Eastern Trust	2q	1	20,000
Great West Life	10s	2	100,000
Guar. Co. of No. Amer.	3q	15	9,138
Huron & Erie Mtge.	1¾q	2	87,500
Imperial Life	3¾q	1	22,500
Landed Banking	4½+x½s	3	50,000
London & West. Trust	2q	2	10,000
Manufacturers Life	4s	1	15,000
Mfrs. Finance, pref.	4s	15	46,112
Monarch Mtge., com.	1s	15	5,000
Do., pref.	4s	15	3,600
Montreal Trust	4s	15	40,000
Mutual Finance, com.	5y	15	17,100
Do., pref.	4s	15	27,360
National Life Assur.	2½q	1	6,250
National Trust	3	3	67,500
North Amer. Life	5s	1	3,000
Ontario Loan	2¾q	3	48,125
Real Estate Loan	3½q	3	17,500
Royal Loan	2½q	2	15,000
Sterling Trusts	3s	1	17,376
Sun Life Assur.	3¾q	1	37,500
Toronto Finance, pref.	4s	12	18,004
Toronto Gen. Trusts	3q	3	60,000
Toronto Mtge.	2½+x1q	1	25,357
Toronto Savings	3½q	3	35,000
Trusts & Guarantee	3s	1	43,146
Union Trust	1¾q	3	17,500
			$1,664,076

q —Quarterly.
s — Half-yearly.
m — Monthly.
y — Yearly.
x — Bonus.
† — Arrears.
‡ — For 2 months.

BOND INTEREST DUE IN JANUARY

Company	Rate	Due	Amount
Abitibi Pulp	6	1940	$105,690
Abitibi Tram. & Nav.	7½	1942	17,500
Automotive Credit	6½	1945	6,500
Acadia Sugar	7	1940	52,500
Atlantic Sugar	6	Serial	23,850
Asbes. Corp., 1st pref.	6	1941	90,000
Do., gen. mtge.	6	1956	127,170
Belgo Can. Paper	6	1943	289,710
Burns, P.	6½	1943	103,584
Brew. & Distillers	6	1938	20,205
Calgary Power	5	1940	70,152
Canada Iron	6	1939	18,411
Canada Paint	5	1939	8,515
Can. Cottons	5	1940	105,375
Can. Locomotive	6	1951	39,294
Cape Breton Elec.	5	1932	8,275
Cedar Rapids	5	1953	346,680
Can. Light & Power	5	1949	82,492
Can. Canners	6	1950	79,200
Canadian Salt	6	1946	36,000
Christie Brown	6	1935	18,000
Demerara Elec.	5	1929	12,500
Dominion Rubber	5	1947	200,000
Detroit Un. Rly.	4½	1932	247,500
Do., 1st Mtge.	6	1929	254,160
Fraser Cos.	6	1950	180,000
Gatineau River Pr.	6½	1940	11,375
Inter. Milling	6	1930	14,925
Jamaica Pub. Ser.	6½	1943	32,500
Jamaica Lt. & Pr.	5	1928	7,000
Laurentian Power	6	1936	41,136
Laurentide Power	5	1946	171,725
Do.	5½	1946	34,313
Manitoba Power	5½	1951	225,000
Maritime Telegraph	5	1956	25,000
Minnesota & Ont. Pr.	6	1948	120,000
Mont. L. H. & Pr.	4½	1932	142,335
Montreal Trams.	5	1941	533,775
Mount Royal Hotel	7	1942	134,400
Do., Conv. Deb.	2q	....	5,428
National Brew.	6	1939	33,000
Northern Ont. Light	6	1931	150,195
North. Mex. Power	7	1933	17,500
Ontario Steel	6	1943	12,630
Ottawa Traction	5½	1955	82,500
Ont. Pulp & Paper	6	1931	32,766
Ottawa Gas	5	1934	3,750
Page-Hersey Tubes	6	1946	60,000
Penn. W. & Pr.	5	1940	290,050
Pac. Great East. Deb.	4½	1942	320,283
Do., guar. bonds	4½	1942	133,314
Quinte & Trent. Val. P.	6	1955	12,000
Rio Janeiro	5	1935	625,100
Sher.-Williams	6	1941	47,145
Simpson, Robt.	5	1952	45,260
Smith, H. Paper	7	1941	142,170
St. Law. Flour	6	1941	2,745
Steel of Canada	6	1940	185,322
Shaw. W. & Pr., com.	5	1934	90,950
Do., (B)	6	1950	155,310
Do., (C)	6	1950	170,005
Sterling Coal	6	1940	25,158
Sherbrooke Rly.	5	1940	31,187
Sherbrooke St. Rly.	5	1927	2,500
Sao Paulo Elec.	5	1962	243,332
Sydney & Glace Bay	5	1932	8,775
Spanish R. Pulp	6	1931	50,589
Viau Biscuit	6½	1946	13,000
Wayagamack	6½	1930	48,750
West. Dry Dock	6	Serial	12,000
Windsor Hotel	6½	1943	79,625
Winnipeg Elec.	5	1935	110,525
Winnipeg St. Rly.	5	1927	14,475
Wpg. Selkirk Rly.	5	1933	10,000
Vancouver Pr. debs.	4½	....	11,054
Do., perp. debs.	4½	....	287,359
Corporation Bonds			7,597,496
Municipal Bonds			x3,400,000
Provincial Bonds			x2,800,000
Total			$13,797,496

x—Figure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

The Acadia Gold Mines, Limited, capitalized at $5,000,000, is incorporated under the Nova Scotia Companies Act, to acquire mines and lands, etc. The head office will be in Montreal.

INVESTMENTS for January Funds

CANADA offers splendid opportunities for safe and profitable investment.

Through the development of her natural resources, we are all assisting in the building of a greater nation which is reflected directly and indirectly in the prosperity of individual investors.

INVEST IN BASIC CANADIAN INDUSTRIES

We recommend --

Government and Municipal

Security	%	Due	Price	Yield
Canadian National Railways (Dominion of Canada Guarantee)	5%	Feb. 1954	102.50	4.83%
Canadian National Railways (Dominion of Canada Guarantee)	4½%	Sep. 15, 1954	95.75	4.78%
Province of Ontario	4½%	Sep. 1, 1944	97.00	4.75%
Province of Ontario	5%	Oct. 15, 1948	102.75	4.80%
City of Quebec	5%	Nov. 1936	100.50	4.95%
City of Hull	5%	May, 1936-39	100.00	5.00%
City of Paris	6%	May 1930	100.00	6.00%
Town of Fraserville	5%	Aug. 1949	100.00	5.00%
Town of Fraserville	5%	Nov. 1949	100.00	5.00%
Fabrique Ste.-Croix de Montreal	5%	Sep. 1941–45	100.00	5.00%
St. Pierre-aux-Liens	5½%	Nov. 1949–51		5.20%
St. Jerome R. C. Schools	5½%	May 1954	104.40	5.20%

Public Utility

Security	%	Due	Price	Yield
Bell Telephone Company	5%	March 1955	102.00	4.87%
Canada Northern Power Corp. Ltd.	6½%	May 1941	101.50	6.34%
Canadian Pacific Railway Co.	4½%	Dec. 15, 1944	94.50	4.95%
Canadian Pacific Railway Co.	5%	Apr. 15, 1934	100.50	4.95%
East Kootenay Power Co., Ltd.	7%	April 1942	105.00	6.50%
Gatineau Power Co., Ltd.	5%	June 1956	96.00	5.25%
Gatineau Power Co., Ltd.	6%	June 15, 1941	99.50	6.05%
Laurentian Power Co., Ltd.	6%	January 1936	104.00	5.45%
Manitoba Power Co., Ltd.	5½%	January 1951	99.00	5.60%
Montreal Tramways	5%	July 1941	99.50	5.05%
Montreal Tramways	5%	April 1955	95.50	5.30%
Montreal Light, Heat & Power	4½%	January 1932	98.25	4.90%
Northern Canada Power, Ltd.	6%	Dec. 1945	102.00	5.82%
Northwestern Utilities, Ltd.	7%	June 1938	101.25	6.85%
Ottawa & Hull Power Co., Ltd.	6%	August 1948	105.00	5.60%
Ottawa-Montreal Power Co., Ltd	6½%	June 1949	103.65	6.20%
Ottawa River Power Co., Ltd	6½%	Dec. 1953	103.90	6.20%
Southern Canada Power Co., Ltd.	5%	October 1955	98.50	5.10%
Suburban Rapid Transit Co., controlled by Winnipeg Electric Co.	5%	Jan. 31, 1938	90.25	6.25%
Winnipeg Electric Co.	6%	Oct. 2, 1954	100.50	5.95%
Winnipeg Electric Co.	5%	Jan. 2, 1935	99.00	5.10%

Industrial

Security	%	Due	Price	Yield
Canada Paper Company	6%	Dec. 4, 1945	100.50	5.95%
Canada Steamship Lines	5%	Aug. 1936–43	98.25	5.75%
Canada Steamship Lines	6%	Oct. 1, 1941	98.00	6.20%
St. Lawrence Paper Mills, Ltd.	6%	March 1946	98.50	6⅛%

Preferred Stocks

Security	%		Price	Yield
Eastern Dairies Limited (Carrying Bonus 2½ shares Common with each 10 shares Preferred)	7%	Preferred	100.00	7.00%
Can. Northern Power Corp., Ltd.	7%	Preferred	market	
Dominion Power & Transmission Co., Ltd.	7%	Preferred	market	
East Kootenay Power Co., Ltd.	7%	Preferred	market	
Ottawa & Hull Power Co., Ltd.	7%	Preferred	market	
Ottawa-Montreal Power Co., Ltd	7%	Preferred	market	
Power Corporation of Canada, Ltd	6%	Preferred	market	
Southern Canada Power Co., Ltd.	6%	Preferred	market	
Winnipeg Electric Co.	7%	Preferred	market	

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Healthy Situation Backs High Bond Level

Reviewing bond prices in Canada in 1926, National City Company says: "During the year prices of investment securities exhibited sustained strength and the decidedly higher prices reached in November and December seem rather to be a belated readjustment of bond prices to what now appears as a fairly permanent higher level.

"The one thing which above all others has enabled this country more easily to absorb large amounts of new securities is the widening character of the investment market. Since the days of the early Victory loans the number of new bond buyers has increased tremendously. Men and women in all walks of life, many of whom formerly had looked upon bonds as only for the rich, are now themselves consistent investors.

"Assuming that the present conditions throughout the country will continue, there is every reason to expect a continuance of the demand for investment securities. The present level is only comparatively high; it is not high when general conditions are examined and full consideration is given to the present extremely healthy financial situation. Investment houses are chiefly concerned, not with the problems of distributing the issues they underwrite but with the question of how to procure sound bonds in sufficient amount to supply the demand which exists. In a situation like this it is more than ever important to purchase where the proper investigation has been made, and investors will do well to accept the recommendations of reliable houses whose object it is to maintain a high standard, and who offer bonds on a basis of sound values, established and competent management and liquidity, rather than securities which are, perhaps, outwardly attractive but which may fall short of some of those qualities which constitute a sound investment."

Two Hamilton, One Toronto Brewery Merge

Toronto and Montreal interests have concluded arrangements for the formation of the Canadian Brewing Corporation with a view to bringing about a merger of Grant's Spring Brewery and Hamilton Brewing Association, both of Hamilton, and the Dominion Brewing Co., Toronto.

According to present plans, the new company will arrange greatly to increase production. Combined productive capacity now is about 125,000 barrels yearly.

Humberstone at Capacity

The Humberstone Shoe Company, has entered upon the busiest season of the year. Its plant is working at capacity on orders which have been received for delivery on and after February 1st next.

BUFFALO GREETS BROOKS GLADLY; HE BRINGS CASH

Canadian Company Has No Interest in New York Enterprise

IS IT CANADIAN MONEY

Financing Arrangements Are Secret; Surmise Profits From Sales of Stock to Get Factory Going

Oland J. Brooks and his Brooks Securities Co. have invaded the United States. The old Parenti motor plant at Buffalo has been bought outright from a housewrecking company, upward of $200,000 cash has been deposited in the People's Bank of that city, the Chamber of Commerce concurs in announcing the advent of a new industry, and one newspaper has succumbed to the appeal for publicity.

Mr. Brooks says that the Buffalo works will be on a production basis right from the start, manufacturing a steam bus that will carry 29 people at less cost per mile than any comparable gasoline bus. For the present, no stock will be offered to the public in Ontario or in New York state, in connection with the opening of the Buffalo works.

Whose Money Is It?

Who is financing the preliminary stages of the Buffalo enterprise? Mr. Brooks merely smiled when asked that question and said that it was of no public interest since there was no public offering of stock. He said, definitely, however, that Brooks Steam Motors of Canada has no financial interest in Brooks Steam Motors of New York, and that neither earnings nor possible losses in operation over there would accrue to the benefit or detriment of the Canadian company. If, however, the financing of the Buffalo enterprise is the personal privilege of Mr. Brooks and his associates in the enterprise in Canada, as is surmised, it is Canadian money which is reposing in the vaults of the People's Bank at Main and Seneca streets.

Mr. Brooks has opened offices in the Liberty Bank Building, the newest of Buffalo's office buildings. Brooks Securities Co. had offices in Buffalo two or three years ago but closed them in response to a frown from John N. Garver, who then was manager of the Buffalo Better Business Bureau. Mr. Garver is no longer in Buffalo, and his successor, it is understood, has given a clean bill of health to the new enterprise of the House of Brooks.

BUSINESS WILL GAIN IN FUTURE BY FORECASTS

Serious Depressions Bound to Come, But Will be Seen

That the business cycle has not been ironed out through business forecasting, is the statement made to the Chartered Accountants of Ontario, by Dr. J. L. Snider, professor of Business Statistics, Harvard University. "It would be a dangerous conclusion to say that more accurate forecasting and a greater knowledge of business conditions will eliminate serious business depressions in the future. However, if we do have another serious depression, and it is likely that some day one will come, we can look forward to forecasting such a development with confidence."

Dr. Snider, who is attached to the Harvard Economic Research Board, took as his theme "The problem of business forecasting" and traced the development of economic statistical enquiry through all the stages of recent development. He pointed out that although it had been a long time since the first theatres of business changes had been put forth, the development of scientific forecasting was a comparatively recent matter. Various theories have been put forth as to the causes of business movements; the overproduction of commodities; sunspots and meteorological conditions; and under consumption.

The formation, organization and publicity of the Harvard Research Bureau, took place about ten years ago. It is devoted entirely to economic research, and for this purpose a committee was appointed under the guidance of a few outstanding business men who decided the basic principles upon which the organization should build. The result was the publication in 1919 of the "Review of Economic Statistics." This report was supplemented by monthly publications and in 1922 a weekly letter service was added. To-day the board publishes a quarterly review and a weekly letter.

Hopes Color Opinions

As far as the development of methods and principles is concerned, the most important fact is that forecasting methods embody the use of statistics, and not of trade opinions. That is to say, a business man's hopes and fears too often colored his outlook, and therefore impressions of conditions were to be discounted of that reason.

Three Measuring Factors

The methods used by the board were not mechanical, or rather they were not simply mathematical calculations. The aim is to find a good and satisfactory statistical reason for conclusions. As far as the actual material was concerned, the three groups of figures that were used to measure tendencies, were:

The commodity price index.
Interest rates.
Bank clearings, debits, etc.

One of the primary things that must be clearly understood by business men, is that it has been impossible to devise principles that would forecast for many different businesses. Scientific forecasting is confined to general business conditions, that is the prevailing tendency in business as a whole.

Four Types of Fluctuations

Four distinct types of fluctuations have been calculated. First, the secular trend—the persistent tendency of growth or decline in figures over a series of years; seasonal variation; irregular movements (strikes, crop failures, wars); and a cyclical movement or oscillation from prosperity to depression, and back again.

One of the most important principles that have been discovered, is the fact that there is a definite time relationship or sequence between certain groups of figures. These groups fluctuate one with another in a sequence that is highly dependable, much more dependable in fact, than the business cycle or the degree of fluctuation. The three groups might be classified under three distinct headings, speculation, industry and trade, and money and credit.

The business cycle and the amplitude of fluctuation cannot be forecast as reliably as the time sequence between these three series. If the speculation curve turns down for a month or two with the money curve high and rising, a downturn in business may be confidently expected. If it rises, with money low and falling, there will be a probable rise in business in the near future. The United States depression of 1920, and the recovery of 1921, were both forecast along these lines.

The money curve is most important because as long as there is credit, business has no need to worry. This is the most important of the three curves because credits reflect definitely in the commodity market. Two factors which have a very important bearing on this curve are commercial laws and the holdings of banks.

The years 1924 1925, and 1926 in the United States have been a period of recession not depression, that is to say there has been a mild falling off in business conditions which has not been so pronounced as depression. The present business cycle which started in 1921, has been unusually long and has been interrupted by recessions of various sizes, it was also rather remarkable that the end of the cycle was not yet in sight.

Reasons For Prolonged Cycle

The reasons for such a prolonged cycle were that the business men of the country were in a conservative frame of mind, with a certain apprehension on the part of the majority that the commodity price level was unstable and would decline to near the pre-war level; in the United States there existed a tremendous amount of potential credit, as she had a great gold reserve for credit expansion, constituting a "trade cushion"; the Federal Reserve banks had pursued policies to keep conditions stable; good transportation facilities with no serious traffic tie-ups had existed; and, finally, there was a condition of excess-producing capacity among many of the industries, a result of over-expansion during the war and immediate post-war periods.

Prior to 1923, business forecasters could only foretell the major swings but to-day by means of sensitive price indices and weekly index charts the minor movements could now be forecast.

FOREIGN EXCHANGES

French Franc is Evidently Pegged

Conducted by S. J. ZACKS.

Movements in foreign exchange have become narrower. Speculation in French francs and Italian lire has been greatly reduced. For the past week or so the franc has settled down and appears pegged at $.0396½. Evidently the Bank of France is holding the franc at this point in an effort to find whether revalorization has gone far enough. The French price level doubtless has been out of line and persists in remaining up in spite of the rising foreign exchanges.

Poincare is silent with regards stabilization as was King Albert of the Belgians, and speculative interests are in the dark. The short interests in the French franc have been refunded and many have lost out especially in those markets where money is dear and it is mighty expensive to renew their short commitments by buying "spots" and selling futures. It is problematical whether Poincare will wait for the ratification of Berenger Debt settlement before stabilizing the franc. It is thought that the balances of the Bank of France abroad at the present time are sufficient to serve as a reserve for stabilization purposes.

The chief concern appears to be French price level. At the present time, there seems to be great doubt as to whether the revalorization programme has gone far enough with the result that people hesitate to buy. There has come to be what is frequently termed a buyers' strike. People are expecting prices to fall and therefore refuse to buy. Current deposits of banks have greatly swollen and assume record proportions. There is little money for long term investment and even less for real estate loans or any commodities, while short term loans are more plentiful.

In the meantime the pegged rate of $.0396½ is regarded as an experiment and its permanence is doubted in many quarters, although it is a possible one.

The seasonal forward movement in sterling has again made it stronger. The outlook for lower money rates in New York during 1927 has caused considerable buying in sterling and has made the position of the Bank of England's gold reserves more tenable. This movement of short term balance together with the seasonal flow are responsible for sterling's strength.

The premium on United States funds continues about 1/16 per cent. and the prospects are that the premium on United States funds will not change much before spring.

Indian rupees turned strong on short covering.

NEW YORK FUNDS

	High Premium	Low Premium	High Premium	Low Premium
Dec. 23	5-64	1-16	3-32	5-64
Dec. 24	3-32	5-64	3-32	3-32
Dec. 27	3-32	1-16	3-32	3-32
Dec. 28	1-16	1-16	5-64	1-16
Dec. 29	1-16	1-16	3-32	5-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Dec. 23	4.84 15/16	3.96¼	4.50¾
Dec. 24	4.84 15/16	3.95¾	4.49¾
Dec. 27	4.85 1/16	3.95¼	4.53¼
Dec. 28	4.85⅛	3.95¾	4.51¼
Dec. 29	4.85 3/16	3.95¾	4.52¾

FOREIGN EXCHANGE

Par		Dec. 22	Dec. 29
19.30	Italian	4.47	4.52
32.45	Brazilian	11.81	11.81
23.82	German	23.82	23.86
19.30	Belgium	2.78½	2.79
84.85	Japan	48.90	49.00

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Stock Market Record

WEEK ENDING DECEMBER 28

	Div. Rate	Yield Dec. 28	High for wk.	Low for wk.	Close Dec. 28	Close Dec. 21	Sales for wk.	Range, 1926 High	Range, 1926 Low
Banks—									
Commerce	12+1	5.74	228	226	226½	228	91	228¾	214
Dominion	12+1	6.07	214⅝	214¼	214⅝	214	18	219	207
Can. Nationale	10	6.25	160½	160	160½	160½	32	170	157
Imperial	12+1	6.09	214	213½	214	213½	27	215½	200
Montreal	12+2	5.12	273	272	273	272	127	275	251
Nova Scotia	16	5.36	300	297	300	296	66	300	281
Royal	12+2	5.32	264	261	262	264	186	270	248
Standard	12	6.25	..	...	...	...	...	200	189½
Toronto	12	5.19	231	228½	231	227½	110	231	213
Paper—									
Abitibi, com. (no par)	5	5.66	88¼	87½	87½	88¼	1076	98	70¼
Do. pref.	7	6.11	..	...	...	...	...	116	106¾
Belgo-Can., pref.	7	6.91	102	100¾	101	101	320	102⅛	95¾
Brompton (no par)	50c	5.47	36½	35	36½	36½	1295	38¾	26
Laurentide	6	5.40	112¼	110	111	112½	4515	118¼	81½
Price Bros., com.	2	3.07	65	63½	63½	65	382	76¾	57
Do. pref.	6½	6.45	100¾	100¼	100¾	100⅝	290	103½	95
Prov. Paper, com.	6+1	6.11	..	...	...	...	...	115	100
Do. pref.	7	6.71	..	...	...	...	...	107	100
Smith, Howard, com.		...	62½	61½	62	63	537	67	38
Do. pref.	8	7.61	105	105	105	104½	25	105¼	92¾
Span. River, com.	7	6.79	103¼	102½	103	103	1050	114¾	96½
Do. pref.	7	6.14	114	113½	113½	114	420	120	108
Wayagamack, new (no par)	75c	...	55	54	55	55¼	190	59½	52
Steel and Steel Industries—									
B.E. Steel, com.	.	...	½	½	½	⅞	2	3½	¼
Do. 1st pref.	.	...	18	18	18	18	30	30	9
Do. 2nd pref.	.	...	2⅞	2¾	2¾	2¾	1250	10¾	1
Can. Car & Found., com.	.	...	49	41½	48	41	2244	49	33
Do. pref.	7	7.95	90¼	88	88½	88	1456	90¼	73
Can. Fairbanks, pref.	.	...	..	...	...	...	...	60	60
C.G.E., com. (par $50)	.	...	..	...	...	...	...	53	47
Do. pref. (par $50)	7	6.30	56¾	55½	56	56⅛	38	60	53½
Can. Locomotive, com.	.	...	40	39	39	40	20	42	35
Do. pref.	7	8.23	85	85	85	86½	45	89½	73
Canada Iron, com.	.	...	..	...	...	...	...	10	9
Do. pref.	.	...	..	...	...	...	...	42½	39
Can. Forgings, com.	.	...	..	...	...	...	...	17	8
Do. pref.	.	...	70	70	70	70	45	70	41½
Dominion Coal	.	...	71½	71	71½	71½	75	72½	40
Dominion Iron, pref.	.	...	..	...	...	...	...	24¾	5
Dominion Bridge	4+2	5.10	122	112¼	120	112⅛	5310	122	80
Dom. Radiator, pref.	7	6.93	101	101	101	102	150	103½	100¼
Dom. Steel Corp., pref.	.	...	21	20½	20½	21½	15	26	10⅝
Ford Motor	10	...	..	...	...	...	...	622	500
Gould Pumps, pref.	7	7.00	100	100	100	100	50	100¼	100
Kelvinator, com.	.	...	..	...	...	...	...	24¼	10
Do. pref.	7	7.86	89	88	89	87	35	95¾	88
McKin. Ind., c. (no par)	.	...	20	20	20	20	5	31½	15
Do. pref.	7	7.50	93¼	93¼	93¼	95	50	97½	87
Massey-Harris, com.	.	...	70½	69	70	70	575	73	40
Do. pref.	7	6.82	102½	102½	102½	103	1	103	93
N.S. Steel, pref.	.	...	..	...	...	...	...	25	20
Ontario Steel, com.	4+1	6.80	75½	75½	75½	73½	25	78½	60
Do. pref.	7	7.00	..	...	...	...	...	103	98
Russell Motor, com.	1¼	...	49	49	49	50	2	50	39
Do. pref.	7	7.60	92	90¼	90¼	92	36	93	76
Sawyer-Massey, pref.	.	...	..	...	...	...	...	13	5
Steel of Canada, com.	7	5.92	119½	117	117	119½	381	120	95⅛
Do. pref.	7	5.60	125	125	125	125	12	125	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	21	20	20	20	162	26⅝	18
Do. pref.	7	8.18	85½	85½	85½	86	10	92	83
Atlantic Sugar, com.	.	...	31¼	28⅛	[illegible]	29	4780	32⅞	21½
Do. pref.	.	...	91	90	90	90	355	93	75
B.C. Fishing	5	5.78	95⅛	81	82	93	24070	108½	57¼
Can. Bread, com. (no par)	$2.50	2.66	..	...	...	...	...	95	53
Do. pref. (A)	7	6.42	..	...	...	...	...	112	105
Do. pref. (B)	7	6.48	108	104	108	104	81	108	96¼
Can. Canners, com.	.	...	22	20	21	20½	685	22	12
Do. pref.	4	5.31	75¼	72	75⅛	73	950	75¼	60
Canadian Salt	8	6.40	125	125	125	127	28	145	125
Christie Brown (no par)	.	...	..	...	...	...	...	63½	31
Can. Bak., c. (no par)	.	...	34	34	34	34	65	37¾	26¼
Do. pref.	7	7.07	100	99	99	100	31	100	92
City Dairy, c. (par $25)	12+1	4.06	80¼	78	80	80¼	165	85	65½
Do. pref.	7	6.03	116	116	116	115	2	116	107
Cuban Can. Sugar, com.	.	...	..	...	...	...	...	6	3
Do. pref.	.	...	..	...	...	...	...	37	21
Dom. Stores (no par)	$2.40	3.70	67¼	65	65	67¼	135	70¼	56
Wm. Davies (A) (no par)	.	...	31¾	28	29	31⅞	1230	37¼	27½
Do. (B) (no par)	.	....	10	10	10	10	50	12	10
Inter. Milling, pref.	7	6.73	104	104	104	104	157	106	98½
Lake of Woods, com.	12	7.94	151	151	151	160	5	175	139
Do. pref.	7	6.08	..	...	...	...	...	118	115
Loblaw, com.	$1.00	2.22	45	42	45	43½	82	55	29¾
Do. pref.	7	6.66	..	...	...	...	...	105	100½
Maple Leaf Mill, com.	.	...	..	...	...	...	...	88	50⅛
Do. pref.	7	6.93	101	101	101	99½	1	102	90
Ogilvie Flour, com.	5	2.47	202	202	202	203	15	203	165½
Do. pref.	7	5.78	..	...	...	...	...	125	117
Pure Gold Mfg. (no par)	50c	...	22	21	21	20	100	23½	17½
Shred. Wh., c. (no par)	75c	5.17	58½	57½	58	58½	210	59	47½
St. Law. Flour, com.	.	...	..	...	...	...	...	45	26
Do. pref.	7	8.75	80	79½	80	79½	135	84	79¼
Viau Biscuits, com.	.	...	..	...	...	...	...	28	18
Do. pref.	7	7.82	89½	87	89½	86	276	89½	85
Western Groc., c. (new)	.	...	29	26	29	28	38	34½	24
Do. pref. (new)	7	9.09	77	73	77	77	19	80	62
West. Can. Flour, com.	$1.40	6.08	23½	23½	23½	24	20	25	18
Do. pref.	6½	6.50	..	...	...	...	...	100½	97¾
Utilities—									
Bell Telephone	8	5.79	141½	137¾	138	142	337	142½	136
Calgary Power	.	...	..	...	...	...	...	52½	50⅞
Consumers Gas	10	5.79	172½	172¼	172¼	172	101	183⅞	170
Inter. Util. (A) (no par)	87½c	...	..	...	...	...	...	38½	29½
Cedar Rapids	.	...	..	...	...	...	...	50	40
East Koot. Power	.	...	..	...	...	...	...	33	25
Jamaica Pub. Ser., pref.	7	7.17	97½	97½	97½	98	5	99¼	96
Laurentide Power	5	4.14	120½	120½	120½	120	15	130	100
Mackay, com.	7	5.46	131	128	128	130	106	138½	121¼
Do. pref.	4	5.67	71	70	70½	71	130	73½	68¾
Mexican Light, com.	.	...	..	...	...	...	...	33	29
Do. pref.	.	...	..	...	...	...	...	86	64
Mont. L. H. & Pr., com.	2	2.85	70	69¾	70	69	2407	75	59
Do. pref.	.	...	..	...	...	...	...	50½	48½
Montreal Teleg. (par $40)	8	6.40	51	50	50½	50	499	51½	47
Ottawa L. H. & Pr., com.	6	5.98	100¼	100¼	100¼	99	40	100¼	92
Do. pref.	6½	6.31	103	103	103	101⅜	5	105½	100
Quebec Power, com.	6	3.07	195½	188	195½	190	608	200	118
Do. pref.	7	3.68	190	186	190	189	187	200	109½
Shawinigan	8	2.97	269	267	268	268	873	275½	167½
South. Can. Pr., com.	2	2.22	90	89½	90	90	19	98	81
Do. pref.	6	5.88	102	102	102	102	33	104½	99
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	30¾	25
Do. pref.	7	7.21	97	97	97	97	80	97	97
Transportation—									
Can. Pacific Rly.	10	5.90	169½	167¾	169	168½	93	169½	147
Can. Steamships, com.	.	...	..	...	...	...	...	33¼	11
Do. pref.	.	...	95	94½	95	91	16	96⅛	56
Do. voting	.	...	33½	30	33½	30	960	33½	11
Do. new, com.	.	...	35¾	32½	35¾	32½	4882	35¾	29½
Do. new, pref.	.	...	82⅛	77½	82	77	7899	82⅛	75
Tractions—									
Barcelona (par $50)	.	...	31	31	31	32¾	10	40½	26
Brazilian, com.	5	4.77	105¼	102⅝	104¼	103½	15943	123½	80
Do. pref.	6	5.74	105	104½	104½	104	125	108	97½
Detroit Un. Rly.	.	...	2	1¼	2	1	150	3½	1
Duluth-Superior	.	...	25	25	25	25	4	33¼	25
Illinois Traction, pref.	6	6.00	..	...	...	...	...	100½	96¼
Montreal Trams.	10	5.91	170	169	169	169	65	190	159
Ottawa Traction	4+1	...	..	...	...	...	...	74¼	60
Porto Rico Rlys., com.	1	...	..	...	...	...	...	56	40
Do. pref.	7	7.60	..	...	...	...	...	94⅛	85½
Twin City, com.	5	8.23	61½	60⅜	60½	60½	457	79½	58
Do. pref.	7	6.93	..	...	...	...	...	103	101
Winnipeg Elec., com.	1	...	62¼	61½	61½	62¼	852	64	45¼
Do. pref.	7	6.93	101	100	101	100	20	104	95
Textiles—									
Can. Conn. Cotton, pref.	4	...	35	35	35	35	20	49	35
Can. Converters	7	6.93	101	101	101	100	2	104	90
Can. Cotton, com.	8	6.95	116	115	115	117½	95	124	113
Do. pref.	6	6.31	95	95	95	95	5	99½	92½
Can. Woollens, com.	.	...	..	...	...	...	...	8	4
Do. pref.	.	...	60¼	60¼	60¼	60⅛	10	60¼	45
Cosmos Imp., com.	.	...	15	15	15	15½	75	16½	14¾
Do. pref.	.	...	93	92	92¼	92½	118	93½	92½
Dom. Textile, com.	5	4.85	103	102	103	102	443	103	89
Do. pref.	7	5.80	120½	120½	120½	120	10	122	115
Monarch Knitting, pref.	.	...	60	60	60	60	5	60	30
Montreal Cottons, com.	6	5.55	..	...	...	...	...	115½	102
Do. pref.	7	6.08	..	...	...	...	...	115½	110
Penmans, com.	8	4.32	185	185	185	185	45	191	173
Do. pref.	6	5.88	102	101½	102	101	12	104½	100¼
Wabasso Cotton	4+50c	4.59	98⅛	95	98	96	1300	100	60
General Industrials—									
Amer. Sales, c. (par $20)	4	5.71	..	...	...	...	...	72½	54
Do. pref.	7	7.14	98	98	98	97⅜	5	98	92
Asbestos Corp., com.	.	...	24½	23½	24	24¾	614	25¾	16½
Do. pref.	7	8.18	86	85	85½	86	1295	87	62
Burt, F. N., com.	12	5.04	59¾	58½	59½	59½	370	67½	50
Do. pref.	7	3.33	..	...	...	...	...	210⅛	210⅛
Building Products, pref.	7	7.56	92½	92½	92½	91¼	10	94	83
Brant Cord. pf. (par $25)	8	8.60	23⅜	23⅛	23¼	23	233	27½	23
Canada Cement, com.	6	5.02	119½	117	119½	119½	967	124	98
Do. pref.	7	5.90	118½	116¾	118½	117	198	120	113
Dom. Rubber, pref.	7	8.75	..	...	...	...	...	87½	80
Can. Ind. Alc., (no par)	$1.28+20	..	31	28⅛	28¾	30½	31841	34⅞	16¼
Crow's Nest Coal	6	8.82	68	68	68	69	25	85	51
Dom. Glass, com.	7	6.73	104	97	104	97	2415	105	81
Do. pref.	7	6.43	..	...	...	...	...	113	103
East Theat., c. (par $25)	.	...	25	25	25	25	10	30	18¾
Do. pref.	7	7.44	..	...	...	...	...	95	83
Famous Players, com.	.	...	18½	18	18½	19	27	21	11
Do. pref.	8	8.55	93½	93¼	93½	94	110	94½	88
Gilman, com.	6	4.91	..	...	...	...	...	127½	104½
Do. pref.	7	5.38	..	...	...	...	...	131	113½
Goodyear Tire, pref.	7+3½	7.33	96¼	94½	94½	95½	132	99¼	85
Holt Renfrew, pref.	7+3½	7.60	..	...	...	...	...	92	84½
King Ed. Hotel	.	...	..	...	...	...	...	41	25
Loew's, com.	.	...	38½	37	38½	36	3	40	36
Do. pref.	7	...	..	...	...	...	...	98	90
Lyall Construction	.	...	37½	37	37	38¾	50	48	20
Nat. Brew., c. (par $25)	4	6.10	66	65	65½	66	1350	72	56
Do. pref.	7	6.60	..	...	...	...	...	110	101¾
National Brick, com.	.	...	..	...	...	...	...	12½	8
Do. pref.	7	10.76	65	65	65	60	141	72	60
Pacific Burt, com.	6	6.66	90⅛	90	90	90	56	110	90
Do. pref.	7	6.48	108	108	108	108	5	110	102
Page Hersey, com.	75c	5.26	57	56¼	56¾	57¼	390	59½	43
Do. pref.	$1.75	5.88	120	118½	119	119½	83	120	100½
Port Hope Sani., com.	3	2.50	120	120	120	122	20	130	74½
Do. pref.	7	6.60	..	...	...	...	...	106	99
Rogers, Wm., com.	.	...	66	66	66	70	25	70	45
Do. pref.	7	7.48	..	...	...	...	...	100	90
Sher.-Williams, com.	6	4.13	145	144⅞	145	145	60	148½	125
Do. pref.	7	5.93	..	...	...	...	...	120½	110½
Sterling Coal	4	...	..	...	...	...	...	43	36
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	82½	82½	82½	84½	20	84½	56
Tuckett Tobacco, com.	4	4.88	..	...	...	...	...	73	58
Do. pref.	7	6.79	103	103	103	104	20	105¾	100
Woods Mfg., com.	.	...	..	...	...	...	...	48	38
Do. pref.	7	8.04	..	...	...	...	...	90	77¾
Standard Chem., pref.	.	...	..	...	...	...	...	9	9
Trust and Loan—									
Central Canada	12+8	...	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	5.88	93½	93½	93½	93	264	100	90
Can. Permanent	12	5.55	..	...	...	...	...	216	202¼
Colonial Invest.	6	...	..	...	...	...	...	7	4
Huron & Erie	7+½	5.45	..	...	...	...	...	137½	127½
Landed Banking	9	5.66	..	...	...	...	...	159	150
Mont. Loan (par $50)	12+1	6.50	50⅛	50⅛	50⅛	50	13	50⅛	50
National Trust	12	4.97	..	...	...	...	...	245	232½
Ontario Loan (par $50)	11	5.00	..	...	...	...	...	110	103½
Real Estate Loan	7	7.36	95	95	95	92⅛	2	95	83
Toronto Gen. Trusts	12	5.45	220	220	220	220	13	225	220
Toronto Mtge. (par $50)	10+1	5.61	..	...	...	...	...	100	93½
Union Trust	7	6.79	..	...	...	...	...	105	98

THE CURB MARKET

	Div. Rate	Yield Dec. 28	High for wk.	Low for wk.	Close Dec. 28	Close Dec. 21	Sales for wk.	Range, 1926 High	Range, 1926 Low
Andes Pete	.	...	..	...	...	...	...	6⅝	6⅝
Attendu Eng.	.	...	37	35	35	38⅜	275	43¾	7
Beacon Oil	.	...	18¼	18	18¼	17½	340	19½	14¼
Belding, pref.	7	6.86	102	102	102	102	50	102½	92½
Brit. Am. Oil (par $25)	10+50c	3.01	83⅝	79¾	82¾	82	2552	86	47
Do. new	.	...	21¼	20¾	21	21	669	22	20¾
Brew. & Distillers	.	...	4¾	4½	4⅝	4½	330	5¼	4¼
Can. Nor. Pr., com.	.	...	..	...	...	...	...	43	28
Do. pref.	7	...	..	...	...	...	...	99	89¼
Can. Oil, com.	5	4.76	105	105	105	97	35	105	65
Do. pref.	7	5.98	..	...	...	...	...	117	100
Cockshutt, pref.	.	...	76	73	75	76½	335	83⅞	57¼
Continental Oil	$1.00	...	19¾	19½	19½	19⅜	40	26	17⅞
Cosgrave Brew. (par $10)	5	6.66	7¾	7	7½	7⅞	1200	9	5
Dom. Power, pref.	7	6.98	..	...	...	...	...	101¼	101¼
Dom. Eng.	$3	....	150	135	150	128	110	150	65
Dryden Power (no par)	.	...	12	11⅞	12	11⅞	650	12	5½
Eastern Dairies	.	...	21	20⅝	20¾	20¾	515	21	15½
East Engineering	.	...	..	...	...	...	...	2½	1
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	24½	15
Do. pref.	.	...	..	...	...	...	...	75	59½
Fraser Co., pref.	7	...	..	...	...	...	...	94½	94½
Good. & Worts	$1.00	2.82	46⅛	40¾	42⅝	43⅛	7130	46¼	27¼
Hamilton Dairies	.	...	23¾	23¾	23¾	24	10	24½	21¾
Illinois Power, pref.	7	7.05	99¼	99	99¼	99	12	100	95
Imperial Oil	$1.25	3.30	38¼	37¾	38¼	37¾	1553	39⅝	32½
Inter. Petroleum	75c	2.30	32¾	31½	32¼	32½	1155	35½	29¼
Manitoba Power	.	...	48	48	48	49	25	53	24
McColl, com.	80c	...	24	23	24	24	146	25	18⅞
Do. pref.	7	7.00	100	100	100	99½	55	100	95
Newsprint Co.	.	...	..	...	...	...	...	27	18
North Star Oil, c. (par $5)	.	...	..	...	...	...	...	125	75
Do. pref.	7	...	480	480	480	480	200	490	450
Nor. Mex. Pr., com.	1	...	47½	46	46	47	170	55	40
Do. pref.	7	...	..	...	...	...	...	85	80
N.S. Car, com.	.	...	13	13	13	12	110	15	7½
Ottawa Mont. Pr., com.	.	...	..	...	...	...	...	20	18
Paton Mfg., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	..	...	...	...	...	100	75
Power Corp (no par)	.	...	28	27½	28	27⅝	2900	28¼	22
Do. pref.	6	6.45	..	...	...	...	...	95½	92
Pressed Metals	.	...	31	31	31	30	50	40	30
St. Law. Pr. (no par)	.	...	53	53	53	53	10	60½	35
Do. pref.	8	7.47	..	...	...	...	...	109½	103¾
Seagram	.	...	17½	15½	15⅞	17	8082	18	14½
Simpson, Robt., pref.	6	6.03	..	...	...	...	...	102	99
Sovereign Secs.	.	...	210	200	210	200	150	210	150
St. Maurice Pr.	.	...	..	...	...	...	...	101	72½
St. Maurice Valley	.	...	..	...	...	...	...	65	40
Toronto R.S.	.	...	..	...	...	...	...	195	110
Un. Secs., com.	.	...	50	50	50	50	1	65	50
Do. pref.	6	5.71	105	104⅞	104⅞	106	66	106	102
Volcanic Oil	63c	...	37½	37½	37½	37	272	38	26

A.J.Pattison,Jr.&Co.
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January is usually one of the heaviest re-investment periods of the year. Consequently the most desirable bonds are quickly absorbed. We have a number of high-grade Government and Municipal Bonds in amounts of $500 and $1000 that return attractive yields from

5.10% to 5.50%

We would be pleased to mail particulars upon request.

Roberts, Cameron & Co.
LIMITED
Investment Securities.
206-7 Northern Ontario Building Toronto

Pulp & Paper

MATTAGAMI PULP HAS BEEN BOUGHT BY ABITIBI PAPER

Outcome for Mattagami Senior Securities Satisfactory — Benefits Abitibi

From Our Own Correspondent.

MONTREAL.—The Abitibi Power and Paper Company has acquired the Mattagami Pulp and Paper Company. The new acquisition of the Iroquois Falls newsprint producer will be operated through a wholly owned subsidiary. The Mattagami plant is situated at Smooth Rock Falls, Ontario, about sixty miles from Iroquois Falls.

The Mattagami Pulp and Paper Company went into receivership in 1921 as a result of the falling off in the demand for sulphite pulp at that time. The company produces around 200 tons of sulhpite pulp daily, one-half of which is bleached and the other half easy bleaching; the plant will continue to produce these grades which, during the past year or so, have found a much improved market in the United States.

Plant Sold at Auction

On October 12 of this year the assets of Mattagami were sold at public auction and were purchased by I. W. Killam, president of the Royal Securities Corporation, for $7,250,000. Mr. Killam, in making the purchase, was acting on behalf of the debenture holders.

The Abitibi Power and Paper Company will finance the deal; this may perhaps be carried out by placing a bond issue on the property. The price which was paid for the plant has not been divulged.

As the property was recently acquired by interests acting on behalf of the debenture holders, the interests of the first mortgage bondholders of Mattagami have been more than amply safeguarded. In the final distribution to the holders of Mattagami securities, the first mortgage bondholders will obviously receive the par value of their holdings plus accrued interest, which, at the close of the year. will amount to around $2,400,000 in all.

Debenture Holders' Share

It is understood that the holders of the Mattagami debentures will receive between 112 and 114 per cent. of the par value of their holdings. At the present time these debentures are about 40 per cent. in arrears with interest payments; thus the holders of these securities will receive their par value plus about one-third of the arrears of interest.

According to the last figures available, the company had $3,935,000 of debentures outstanding. This sum, together with an additional 12 or 14 per cent. in lieu of dividend arrears, will make total payments to the debenture holders of some $4,500,000. It is said that the unsecured creditors of the Mattagami Pulp and Paper Company will receive 25 per cent. of their claims.

By totalling the payments to be made to the bondholders and to the debenture holders it will be seen that the Abitibi Power and Paper Company has probably bought the property for something over $7,000,000.

While the holders of preferred and common shares of Mattagami will have no return coming to them in the final settlement of the affairs of the defunct company, yet the debenture holders have fared much better than was anticipated even a few months ago.

At that time the debentures were changing hands at anywhere between $55 and $60. Through the sale to Abitibi, the final settlement will give these securities a value of about double this figure.

How Abitibi Will Benefit

There are several reasons why Abitibi has purchased the plant. In the first place the consolidation of operations will materially reduce the overhead of the Smooth Rock Falls plant. Again, Abitibi's administration costs will show but little increase and savings can be effected in woods' operations. Abitibi might eventually add some newsprint machines to the Mattagami property; no such addition is contemplated at the moment, but a portion of this plant's output of sulphite could be utilized in the production of newsprint. Finally, none can predict the future course of the market for newsprint, but there appears to be little doubt that the market for sulphite pulp will be maintained.

There have been little or no additions to the world's sulphite pulp capacity during the past few years, due to the poor market conditions which prevailed up to a year or so ago. The market for this commodity since that date has shown a material improvement and there seems to be every reason to suppose that sulphite prices will remain at present levels and perhaps may show some increase.

Therefore, Abitibi, in acquiring a further output of 200 tons a day of sulphite, is safeguarding its earning power through diversification.

Profits Compared After $5 Cut in Newsprint

From Our Own Correspondent.

MONTREAL.—The stock exchange house of Craig, Luther and Irvine has prepared a chart which compares the financial and physical position of the ten largest newsprint producers in Canada. The chart is so prepared that it is possible for the investor in any class of security in any one company to make a rapid and accurate comparison between his holdings and similar securities in other newsprint companies.

In addition the chart sets forth what the earnings of each of the companies would have been had they sold their output last year at a price of $5 a ton less. The earnings on each class of security are shown on this basis. Earnings on the common stocks, figured at $5 a ton less for newsprint, are shown as follows:

Earned per Share on Common

Abitibi	$8.16
Brompton	2.93
Laurentide	4.69
Price Bros.	1.28
Spanish	6.59
St. Lawrence	.13

St. Lawrence Paper Concludes Program

From Our Own Correspondent.

MONTREAL.—The two new newsprint machines which the St. Lawrence Paper Mills has added to its installed capacity have been placed in successful operation and are now each turning out about 63 tons of newsprint daily. The first machine went into operation a little over two weeks ago, and the second machine just over a week ago. The capacity of both machines is 80 tons daily. In the meantime, the machines are gradually being tuned and will reach their rated capacity in due course.

The plant now has four machines in operation; two of 75 tons capacity and two of 80 tons capacity. The increased newsprint production of the mill concludes an expansion programme of some magnitude, which has extended over the last two or three years. The mills commenced operations with a production of 150 tons of newsprint daily. A little over a year ago, the company added a sulphite mill of modern design, with a daily capacity of 100 tons. This sulphite mill came into operation just over a year ago.

The sulphite requirements of the present enlarged mill amount to arount 70 to 80 tons daily, and the surplus sulphite is sold under contract to the Wayagamack Pulp and Paper Company.

Further Newsprint Plants Projected in Manitoba

From Our Own Correspondent

MONTREAL.—There seems to be a good prospect for further pulp and paper development in the province of Manitoba. It is understood that the machinery of the Manitoba Pulp and Paper Co. has already begun to operate and that that company is making efforts to increase its timber holdings against the time when it will increase the magnitude of its operations. Also, the Backus-Brooks interests have announced that they intend to begin the construction of a 250 ton newsprint mill as soon as they are assured of sufficient timber limits. This mill, it is said, will be constructed near the city of Winnipeg. The Seaman interests of Chicago are also dickering for limits somewhere in north-eastern Manitoba which will justify the erection of a 300 ton newsprint mill.

In the meantime, the Manitoba government is asking that it be consulted by the federal government before any further natural resources are alienated from the Crown.

Dryden Paper Business is Still at Better Level

From Our Own Correspondent.

MONTREAL.—Whilst the better demand for wrapping paper in the West during the past year has resulted in better earnings for the Dryden Paper Company, yet the time when this company will pass out of the receiver's hands and back into the hands of its owners still seems to be some distance off. The fact that the company is experiencing better business has brought about a better demand for its shares.

Paperboard Uninterested in Bear River Pulp Co.

From Our Own Correspondent

MONTREAL.—Recently it was rumored that the Canadian Paperboard Company had opened negotiations leading to the acquisition of the Bear River Pulp Company—but, it is uderstood that the Caadian Paperboard is not interested in the acquisition of the Nova Scotia company. The interests who are at present looking over the latter property, however, are understood to be associated with Canadian Paperboard interests. In the meantime, the surveys now being made of the assets of the Bear River property have not yet been completed. The latter is a pulp development.

Canadian Paperboard Has Satisfactory Year

From Our Own Correspondent.

MONTREAL. — The Canadian Paperboard Company has just completed three-quarters of its fiscal year and it is understood that earnings as compared with the corresponding period of last year show a satisfactory increase. Last June, the Quinte and Trent Valley Power Company completed its development work and since that date earnings of that property have shown a steady increase. All the common stock of the latter is owned by the Canadian Paperboard Co. While the subsidiary's earnings are sufficient to meet all charges and preferred dividend requirements, as yet, no payments have been made on the common stock, so that, while the Canadian Paperboard Company is not obtaining a revenue from its power subsidiary, yet operating costs of the parent company have been reduced because the power company supplies power at lower rates than those which prevailed previously.

The Mark of Quality

ROYAL RECORD

a Canadian-made Paper of regal quality
worthy for every purpose
where the printed message
must reflect
the character, stability and dignity
of the user.

Ask your Printer—he knows

HOWARD SMITH PAPER MILLS LIMITED
MONTREAL

Great Lakes Paper Mill May Make Newsprint

From Our Own Correspondent

MONTREAL.—The pulp mill of the Great Lakes Paper Company, at Fort William Ontario, has been busy during the past season. While the plant has confined its activities to pulp, it is expected that after certain matters have been arranged a newsprint mill of large capacity will be added.

More than 200 men are employed in the pulp mill and many settlers are engaged during the winter months in cutting wood to supply the needs of the company. Pulp made at the Great Lakes mill is being shipped to the paper mills at Fort Frances, International Falls and Kenora, Ontario, where it is converted into newsprint. The output of the mill is in good demand.

International Power Earnings Increasing

From Our Own Correspondent.

MONTREAL.—The directors of the Bolivian Power Company have declared a 2 per cent. dividend on the company's outstanding $3,000,000 of common stock. This is of interest to the bondholders of the company as indicating the greater earning power of the property in which they are interested, but it is the more interesting to the shareholders of the International Power Company, whose bonds and shares were sold on the Canadian market about a year ago. The Bolivian Power Company is a subsidiary of the International Power. The 2 per cent. dividend which is being declared represents the initial dividend of this company.

Another subsidiary of the International Power, the Newfoundland Light and Power Company, has also declared an initial 2 per cent. dividend.

Advertisers Watch Paper Situation

From Our Own Correspondent.

MONTREAL.—Perhaps one of the causes of the present hesitancy in the market for newsprint paper lies in the attitude of the U. S. publishers, who know full well that many new mills will enter production during the next six months, and that they will probably have little difficulty in meeting their newsprint reuirements; consequently, some of the publishers have hesitated to place their contracts with the rapidity which they have displayed in the past, when consumption was keeping up with production and, at times, even surpassing it.

In the metropolitan centres in the United States, the publishers' customers —the advertisers — in order to make profits, must maintain the volume of their turnovers, and thus at times advertisers such as the big departmental stores, place their advertising with the newspapers on what amounts to a competitive basis. Thus, if one metropolitan daily obtains its paper at a lower price than the others, it can afford to offer correspondingly lower rates to the large stores.

Dicker With Publishers

These large stores, in turn, must advertise in order to maintain the rapidity of their turnover—the one factor which is responsible for the profits of the larger retailers. It can be seen that the advertiser is in the position of being able to pick his advertising medium purely on a competitive basis—that is, the largest covering at the lowest advertising rate on a per capita basis. And this type of advertising plays no minor part in the total volume of advertising placed in the daily papers.

If the advertisers be pushing the publishers, it is obvious that the publishers, who realize the situation which prevails at present in the newsprint field just as well as the newsprint producers, will also be very canny in making their newsprint commitments for the coming year. This is one of the situations underlying the present hesitancy in the newsprint market.

Algoma Steel Has Better Year Than in 1925

W. C. Franz, president of Algoma Steel Corporation, states that sales of the company were three per cent. higher in 1926 than in 1925. He tells Canadian Machinery that he believes that in 1927 there is going to be a betterment in the iron and steel business in Canada in comparison with the year which is drawing to a close. This will depend to a large extent upon railroad purchases, and with increased earnings we expect to distribute orders more liberally than in the past.

"Of course, with our largest finishing mill closed down, we can hardly state that business with us at the present moment is good. The fact remains that, in face of all existing conditions, our sales are higher than in 1925."

Hamilton Plants Busy

Employment conditions in Hamilton continue to improve, as reflected in the civic records. There are about 4,500 more men working in city plants than last year, and only 700 names on the roster of applicants for work, as against 1,100 at the same time last year.

Investment Securities

Newman, Sweezey & Co.
LIMITED
136 St. James Street Montreal

PORT ALFRED PULP & PAPER CORPORATION

Newsprint and Sulphite Pulp

HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.

Mills at PORT ALFRED, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

ROLLAND

Six Standard
"R Shield" Bonds

SUPERFINE
LINEN RECORD
EARNSCLIFFE
LINEN BOND
EMPIRE
LINEN BOND
COLONIAL BOND
SERVICE BOND
MOUNT ROYAL
BOND

PINXIT

In ancient days masters of the brush marked "Pinxit" on their finished paintings as a mark of personal pride in the achievement. "Pinxit"—"he painted."

The "R Shield" watermark in paper is a mark of identification. It definitely establishes it as a "Rolland" product and signifies the maker's willingness to accept the responsibility for its quality and performance.

The "R Shield" watermark guarantees that the sheet is made up to a standard of quality upon which the maker has built up a splendid reputation over a period of nearly half a century.

Insist on Rolland paper, and look for the "R Shield" mark—to see that you get it.

THE ROLLAND PAPER CO., LIMITED
High Grade Paper Makers Since 1882.
MONTREAL
Mills at St. Jerome and Mont Rolland, P. Q.

St. Maurice Valley Corporation

Successors to

Belgo-Canadian Paper Company, Limited,
Shawinigan Falls, P.Q.

St. Maurice Paper Company, Limited,
Three Rivers, P.Q.

Yearly Output—195,000 Tons Newsprint

Head Office:
MONTREAL-QUEBEC

DOMINION BRIDGE CO.
LIMITED
Montreal, P. Q.

ENGINEERS, MANUFACTURERS *and*
ERECTORS *of* STEEL STRUCTURES

HEAD OFFICE AND WORKS:
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BRANCH OFFICE AND WORKS:
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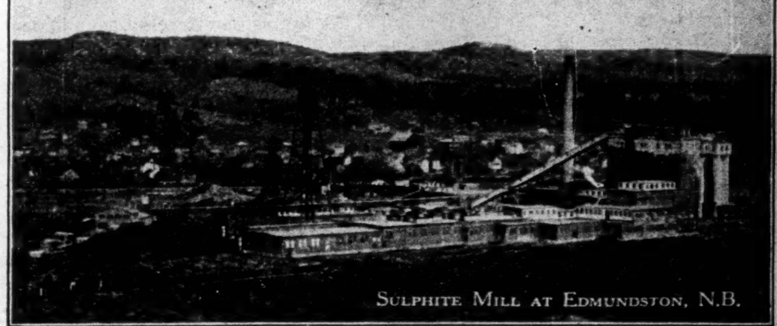
EDMUNDSTON, N.B.

Lumber :-: Bleached Sulphite Pulp :-: Fine Papers


SULPHITE MILL AT EDMUNDSTON, N.B.

Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

Annual Capacity: 150,000 Tons of Groundwood
Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office:
CHICOUTIMI, P.Q.

Cable Address:
"SAGUENAY, CHICOUTIMI"

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

COMMERCE SHOWS $150,000 INCREASE IN BANK PROFITS

Assets Down, Due to Special Current Withdrawals

Not since 1918 has the Canadian Bank of Commerce shown such substantial profits as are exhibited in the annual statement for the year to November 30.

Net profits for the year, amounted to $3,636,983, a gain of $150,000 over 1925.

Compare profit and loss figures below:

Profit and Loss

	1926	1925	1924
	$	$	$
Net profits	3,636,983	3,487,213	3,424,722
Dividends	2,400,000	2,400,000	2,350,000
Bonus	200,000	200,000	200,000
Rest	....	....	150,000
Taxes	500,000	500,000	450,000
Subscriptions	40,000	30,000	....
Pension	200,658	190,719	174,230
Exch. adjust.	....	....	500,000
Premises	250,000	150,000	....
Real est. dep.	....	....	750,000
	46,325	16,494	*1,149,508
Bk. of Ham. bal.	....	....	181,953
Prev. bal.	1,234,574	1,218,080	2,185,635
Balance	1,280,899	1,234,574	1,218,080

*Deficit.

Still Strong Liquid Position

The report indicates that the bank continues to maintain a strong liquid position, although the proportion of immediately available liquid assets is down. This decline is, however, a sign of healthy business in Canada. Banks exist to serve the commercial needs of the country, and these needs have not been sufficient to keep banking funds fully and profitably employed in the past few years.

The decline in total assets of the bank is attributable chiefly to a drop in demand on current deposits. An explanation is offered of this, indicating that the decline is normal.

In the fall of 1925 the bank had certain large special and government deposits of a temporary character which do not appear in this year's statement. The marked improvement in business has presented avenues for the favorable use of money that a year ago was on deposit. The late movement of the grain crop of this season has also continued to absorb funds which, on November 30 of last year, had been redeposited.

Savings deposits show increase, however, in substantial amount.

Current loans to business have increased over $9,000,000, and preparation has evidently been made to meet large demands for money, as security holdings have been reduced.

Analysis of the statement by The Financial Post, shows:

	1926	1925	Change
Immediately Available Liquid Assets			
	$	$	$
Specie	15,230,555	14,868,828+	361,727
Dom. notes	25,500,959	25,429,642+	71,317
Note cir. dep.	1,000,000	1,000,000	....
Notes, bk.	1,932,020	2,286,155—	354,135
Call loans abroad	54,102,603	41,339,276+	12,763,327
Bank bal.	....	45—	45
Do., ab'd.	11,979,840	16,233,518—	4,253,678
Gov. secs.	45,320,650	58,500,743—	13,180,093
Cheques	18,237,899	31,908,441—	13,670,542
Gold res.	7,000,000	7,000,000	....
For. Curr.	1,638,379	1,999,637—	361,258
	181,942,905	200,566,285—	18,623,380
% total as.	35.5	38.2—	2.7
% total liab. to public	38.7	41.5—	2.8
Other Assets			
Pub. secs.	23,935,035	28,121,416—	4,186,381
Other secs.	8,972,968	10,643,903—	1,670,935
Call loans	23,951,945	22,972,159+	979,786
Current	216,186,235	206,851,128+	9,335,107
Elsewhere	25,127,911	25,306,152—	178,241
Letters of credit	13,910,915	12,274,350+	1,636,565
Real estate	2,078,979	2,215,411—	136,432
Mortgages	935,001	716,099+	218,902
Premises	11,684,539	11,907,298—	222,759
Non. curr. loans	1,722,841	1,794,317—	71,476
Loans to comp.	1,786,466	1,565,443+	221,023
Other assets	367,808	378,484—	10,676
	330,660,643	324,746,160+	5,914,483
Total as'ts.	512,603,549	525,312,445—	12,708,896
Liabilities to Public			
Circulation	28,849,401	29,495,211—	645,810
Dem. dep.	99,675,417	121,526,486—	21,851,069
Savings	303,642,689	298,330,942+	5,311,747
Due banks	563,739	672,916—	109,177
Due elsewh.	17,803,162	18,986,163—	1,183,001
Advances	5,000,000	.......+	5,000,000
Bills pay.	1,072,588	1,987,408—	914,820
Letters of credit	13,910,914	12,274,350+	1,636,564
	470,517,910	483,273,476—	12,755,566
To Shareholders			
Capital	20,000,000	20,000,000	....
Reserve	20,000,000	20,000,000	....
Dividends	804,740	804,395+	345
Balance	1,280,899	1,234,574+	46,325
	42,085,639	42,038,969+	46,670
Total liab.	512,603,549	525,312,445—	12,708,896

Rope and Twine Output Showed Decline in 1925

An increase in the cost of materials, decline in the gross value of products and consequent lowering of the net value, featured the activities of the cordage, rope and twine industry of Canada during 1925. There were nine plants in operation during the year, according to a report of the Bureau of Statistics, in which the capital invested was $9,440,617. Materials used were valued at $5,795,287, while the value added by manufacturing was $2,870,154, making a gross value of all products of $8,665,441.

In comparison with the previous year there was little change of importance, except in the cost of materials. The number of establishments in operation remained unchanged, capital increased by about $24,000, employees and salaries and wages paid remained stationary, cost of fuel was off $5,232, while power installation increased from 5,455 h.p. to 5,673 h.p. The most important item of materials used was African and other hemp, the cost of which was $1,770,864, next in order was manilla hemp with $1,665,348, and third place was taken by sisal hemp with $1,295,982, all of which show an increase as compared with the previous year.

C. P. R. ADVANCES

MONTREAL.—The shares of the C. P. R. have been stronger on the market and have changed hands at levels higher than have been experienced in the past seven years.

The demand for the stock simply indicates that there is a better public realization that the company has successfully passed through the long postwar depression period and is now entering a period of increasing earnings.

LT.-COL. ALLAN ROSS, who has been appointed a director of the Dominion Bank, is president of the William Wrigley Jr. Company and a well known figure in Toronto's business life. Coming to Canada as a young man, as Canadian manager of Wm. Wrigley Jr. Company, he has been identified with many different activities. In 1919, he was vice-chairman of Toronto Housing Committee; for some years president Toronto Publicity Bureau; he is now a trustee of the Hospital for Sick Children, and on a number of commercial boards. Following the war, in 1918, he was a member of the Canadian War Mission to the United States and also United States representative of Imperial Munitions Board of Canada. Later, he was one of the Royal Commission to investigate the Hydro-Electric Power Commission. He was recently appointed Honorary Lieut-Colonel of the First Battalion Canadian Machine Gun Corps.

Quebec Railway Dividend Means Much to Others

From Our Own Correspondent.

MONTREAL.—The Quebec Railway, Light, Heat and Power Company has declared a dividend of $1 per share, payable December 31. This is the first dividend which the company has paid since 1912. The Quebec Power Company owns about 97 per cent. of the stock in the Quebec Railway, Light, Heat and Power Company. The latter exists as a separate entity, but its properties are united under the management of Quebec Power.

The subsidiary company's stock capitalization is 100,000 shares of $25 par value, so that the dividend declaration means a disbursement of $100,000; about $97,000 of this will go to the parent organization.

Should the $1 per share dividend be continued each quarter, this would mean the company would pay out in dividends $400,000 annually, over $388,000 of which would go to the parent company. However, it seems a little too early to forecast annual disbursements of this magnitude from the subsidiary.

During 1925, the Quebec Power paid out in common and preferred dividends just over $400,000, so it can be seen that, as the subsidiary is now on a paying basis, the income of the parent company from this source should make a material difference in the net amount available for dividends on the shares of the Quebec Power Company.

The Shawinigan Water and Power Company in turn controls over 50 per cent of all the shares of the Quebec Power, so that the bettered business conditions which have obtained in and about the city of Quebec will ultimately make themselves felt in the profit and loss account of the Shawinigan Water and Power Company.

Export Gypsum From Hants

Exports of crude gypsum from Hants County, N. S., to the United States in 1926 are estimated at 800,000 tons—the largest year's exports in Nova Scotia's history. The demand for the product is such as to indicate a further increase next year of 50 per cent. About 800 men are engaged in the industry of the county.

ATLANTIC SUGAR BETTERS POSITION IN FISCAL YEAR

Retirement of Bonds Means Day of Settlement of Preferred Arrears Nearer

From Our Own Correspondent.

MONTREAL.—The decision of the Atlantic Sugar Refineries to purchase $500,000 of its general mortgage bonds at around 75 is of vital interest to the preferred shareholders of the company for the trust deed covering the general mortgage issue of bonds provides that no dividends shall be paid until the total bonded indebtedness of the company has been reduced to $3,000,000.

At the present time the preferred stock is some 42 per cent. in arrears and eventually the company will have to come to some agreement with its preferred shareholders regarding the liquidation of these dividend arrears. The fact that the company intends to retire such a large block of bonds means that the day of such a liquidation of dividend arrears is being brought materially nearer. When Atlantic Sugar issued general mortgage bonds to its raw sugar creditors at the beginning of 1926, it had outstanding of these bonds $3,927,000; in addition, there were also $795,000 of first mortgage bonds outstanding Thus making a total funded debt of $4,722,000.

The Redemption Clauses

The sinking fund clauses of the first mortgage issue provide for the redemption of $100,000 of these bonds annually; thus, the sinking funds visions of the general mortgage issue call for the redemption of $50,000 annually; ,thus, the sinking funds plus the $500,000 of general mortgage bonds which the cmopany proposes to purchase, will reduce the total bonded indebtedness to just over $4,000,000. It is said, also, there is a possibility that the first mortgage issue may be further reduced by the purchase of bonds on the open market until there are only some $550,000 outstanding. If this be so, it would mean that the total bonded indebtedness of the company at the end of the year would only amount to $3,900,000 as against $4,722,000 less than a year ago.

May Retire More Bonds

There are rumors in circulation indicating that earnings after the redemption of all these bonds this year will run around $500,000. This compares with earnings before depreciation of $848,707 in the 1925 year. Interest charges and sinking fund requirements totalled only $397,684 last year.

If 1927 be as satisfactory a year as 1926, the company would be practically ready to come to some agreement with its preferred shareholders leading to the liquidation of the dividend arrears on this issue. The stock is now selling around 92. The fiscal year of the company ends this week and the annual report will be forthcoming in a month or two.

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give

Financial Assistance

to Estates being administered by it

PAID UP CAPITAL AND RESERVE $1,259,430.36

The Imperial Canadian Trust Co.

Executor, Administrator, Assignee, Trustee, Etc.

Head Office: Winnipeg
Branches: Saskatoon and Calgary

PEACE RIVER IS NEW WONDERLAND OF THE NORTH

(Continued from page 3)

any one thing to undermine the financial standing and morale of a large number of the residents.

No Adequate Transportation

Until the provincial government took over, on November 11th last, the E.D. & B.C., the C.P.R. had been efficiently operating the road, but the country has never had adequate railway facilities. Only those settlements actually served by the railway admit of an intensive farming programme, while those settlements like the Pouce Coupe district, 9 miles from the steel in summer and 60 miles by a winter hauling route, have been too severely handicapped to make much progress. It is a deplorable fact that about 1914 the Dominion Government issued publications showing a proposed railway running through this settlement which was never built but on the strength of which many settlers came in and with indomitable courage have continued to make a living, still hoping that the promise will be fulfilled, satisfied that with a railway service there would be no better place in the whole of Canada for them. Surely these people are entitled to some consideration, especially now that huge sums elsewhere in Canada are being expended on railways, canals and other public works. It is an indisputable fact that this huge fertile country can never reach its full economical development without a railway outlet to its logical seaport on the Pacific Coast. It would be safe to say here that given a coast outlet, the present freight rates would be satisfactory to the Peace River country until such time as investigation proved the operating railway had adequate tonnage to warrant a reduction.

Should Link up Outside Settlements

There is lots of good land to be had comparatively cheap, close in to the existing railway and life in these settlements is not beset with any privations or hardships. There are all the educational facilities desired but it is imperative that the outlying settlements be linked up with railways, which would not only be righting an injustice to those already settled in those communities, but would also make possible the profitable opening up of many acres of homestead land.

Comparatively, the motor roads are of an excellent character for a district so new. An exceptionally fine trunk road runs from Peace River to Grande Prairie, thence on to Pouce Coupe and Rolla, a distance in all of about 250 miles; this is chiefly provincial government work. The side roads kept up by the municipalities are practically all graded as well. A good highway to Edmonton would be of inestimable value to the country. Work is progressing but slowly on a road which chiefly follows the railroad connecting up the various towns between Athabasca and Peace River, considerable work being necessary on the south shore of Lesser Slave Lake to make it passable at all times. This work should be fairly well completed next summer and it is calculated that this will then afford tourists a better opportunity to view the country and so help materially in its settlement. This is, unfortunately, a rather circuitous route to the main settlement Grande Prairie, being by way of Peace River and a more direct route by way of Whitecourt to Sturgeon Lake would be more desirable, which would not only complete a route taking tourists through the most fertile and beautiful valley of the Peace, but also make Edmonton more accessible to the present residents, lessening as well that feeling of isolation which at present exists.

Proportionately High Share of Wheat

It is significant that the estimated crop of wheat of the Peace River Country of nearly 6,000,000 bushels for 1926, which is about one-fifteenth of the total Alberta crop for the year is produced by only one-thirtieth of the population of the province, i.e. the Peace River Country.

Being therefore, one of the most fertile districts, if not the largest stretch of fertile land in Canada, it should behoove those responsible for the placing of immigrants to see that this district gets its full quota.

MITCHELL METALCRAFT

Its artistic and impressive comeliness lends a fitting suggestion of quality and dignity to banks, financial houses, public buildings and residences.

Suggestions submitted on request.

THE ROBERT MITCHELL CO., LIMITED
MONTREAL

1926
MITCHELL METALCRAFT 75th YEAR
JUBILEE YEAR

JOHN DOE
Assets and Liabilities
as at December 31st, 1926.

Your Personal Balance Sheet

ON December 31st each year many Companies prepare their annual balance sheet to obtain "a correct and accurate statement of the condition of the business at that date."

This business custom is one which individuals may adopt to their advantage. Have you made up your personal balance sheet?

This balance sheet should show the state of your investments. From it you can judge their improvement or depreciation during the year, and decide intelligently their retainment or sale, and on the adjustments necessary to strengthen the list. A policy of this sort should improve your financial condition.

We believe our experience will benefit you and we invite you to discuss your problems with us.

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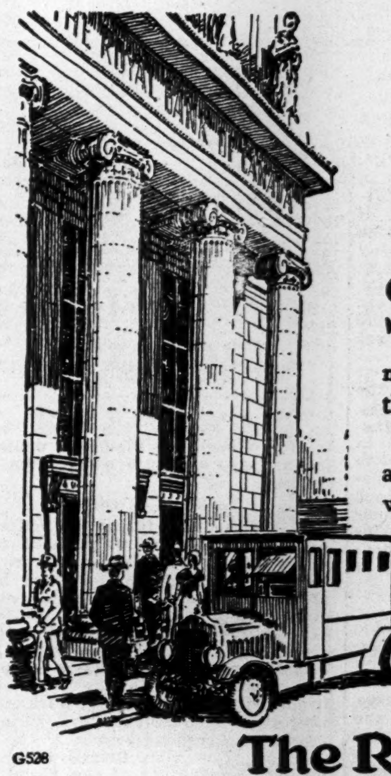

Progress

SOUND business principles and a policy of gradual expansion have marked the steady growth of this Bank for over fifty years.

Today, one of the largest and strongest banks in the world, it serves every phase of business and private life at home, and is taking a leading part in the expansion of trade in foreign markets.

G528

The Royal Bank of Canada

LAKE OF THE WOODS MILLING CO. LTD
Makers of FIVE ROSES FLOUR

Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat

CAPACITY, 20,000 BARRELS DAILY

President and Managing Director: FRANK S. MEIGHEN, C.M.G.
Vice-President & Gen'l. Manager: WM. W. HUTCHISON.

Directors:
R.M. BALLANTYNE, TANCREDE BIENVENU, HON.SIR LOMER GOUIN, K.C.M.G. GEO. V. HASTINGS, WALTER MOLSON, R. W. REFORD, ABNER KINGMAN, J. K. L. ROSS; N. J. BREEN.
Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

New issue

$210,000

The Women's General Hospital of Montreal

5½ 1st Mortgage Gold Bonds

Callable in whole or in part on any interest date at 105 after 1931, 104 after 1936 and 103 after 1941. Coupons payable 1st June, 1st Dec., at the Imperial Bank of Canada, Montreal, Toronto and Quebec.

Trustees: Montreal Trust Co.

Dated 1st Dec., 1926, maturing serially up to 1st Dec., 1946

SECURITY

The Bonds will be secured by

1. A first mortgage on land, building and equipment, valued when completed at $500,000.
2. Subsidy of $100,000 payable in 20 years at the rate of $8,365 per annum to the trustees by the Provincial Government. This subsidy has been duly authorized by order in Council and approved by the Lieutenant-Governor.

An interesting feature of the issue is the equity of $200,000 in cash behind the bond issue. A drive which the hospital authorities undertook brought in $150,000, and the hospital further have a surplus of $50,000.

Subject to approval by Counsel we offer these bonds if and when issued and received by us at the price of

100 and accrued interest to yield 5.50%

CREDIT ANGLO-FRANCAIS LTD.

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DOMINION TEXTILE CO., LIMITED

PRUE COTTONS

MANUFACTURING

ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS

AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.

MONTREAL TORONTO WINNIPEG VANCOUVER

Wabasso Cottons are Canada's best

Cambrics, Voiles, Shirtings, Sheetings, Broadcloths and other fine white cottons; a complete range of fine Coloured Cottons; Yarns, Corset Fabrics, etc., Wacosilke, an exclusive, new fabric, made from finest Wabasso combed yarns and Celanese Brand yarns combined.

The Wabasso Trade Mark is a guarantee of highest quality cotton fabric; none finer, anywhere.

THE WABASSO COTTON COMPANY, LIMITED
Three Rivers, Que.

DOMINION BRIDGE PROSPECTS BETTER

Future of Company Depends on Demand for Structural Steel — Subsidiary Specializes in Machinery and Has Prospects of Continued Orders

From Our Own Correspondent.

MONTREAL.—While the past year has decidedly improved the position of the Dominion Bridge Company, shareholders at the turn of the year will be wondering just what the future holds for the company. The outlook for the earnings and consequently the market price of "Bridge" stock depends only on one factor: the demand for structural steel in Canada.

"Bridge" Earnings Return to Normal

COMPARATIVE EARNINGS
Years Ended October 31

	Earnings	Dividends	Surplus
1917	..$1,186,436	$747,500	$1,679,590
1918	.. 1,865,717	520,000	3,025,307
1919	.. 1,343,305	520,000	3,848,613
1920	.. 964,530	520,000	4,293,144
1921	.. 378,693	520,000	3,671,838
1922	.. 54,661	260,000	3,466,500
1923	.. 290,684	260,000	3,230,103
1924	.. 268,820	260,000	3,233,923
1925	.. *53,136	260,000	2,920,788
1926	.. 439,071	260,000	3,099,859

* deficit.

Earnings on Stock

	Earned per share	Paid on common
1918	14 84%	8%
1919	26.6 %	8%
1920	14.8 %	8%
1921	5.82%	8%
1922	.83%	4%
1923	4.47%	4%
1924	4.05%	4%
1925	def.	4%
1926	6.75%	*4%

* Bonus of 2% payable Jan. 3, 1927.

The demand for this commodity originates practically entirely in the new buildings and bridges which are erected. In the United States, the outlook for the building and construction industry indicates that in 1927 there will be some falling off in activity. As far as can be seen in this country, the demand for structural steel during 1927 should perhaps equal that of 1926.

Orders Should be Large

Even presuming that the general level of building activity should decline somewhat in Canada in 1927, with the better position of the railways, there seems to be good possibility of increasing orders for structural steel from this source which would serve to offset any decline, say in the erection of new large buildings.

But prospects for new construction in the Dominion in 1927 are of an encouraging nature, viewed from the angle of the shareholder of the Dominion Bridge Company, for, while there will probably be a decline in the erection of residential buildings, yet during the first quarter of the year all forecasts seem to agree that general building will continue much about the same high level as was established in 1926.

After the first quarter, the amount of new construction will depend on the general prevailing level of business. With regard to the outlook for industrial and engineering construction in 1927, the situation seems to hold much promise; the latter is specially favorable to "Bridge" as this type of work utilizes a good proportion of the company's output. In this class of construction tentative work already scheduled to start in the spring is ahead of 1926.

Paper Industry Grows

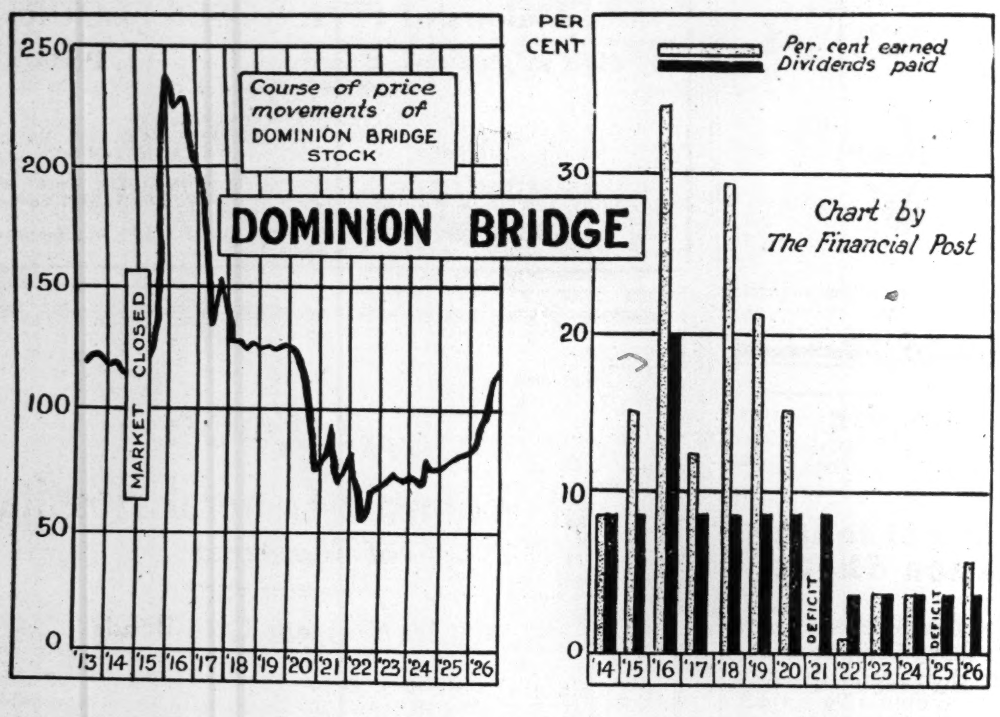
Incidentally, the number of projected pulp and paper mills in 1927 is larger than a year ago which indicates that there will be an increased demand for structural steel in 1927 from this source.

In addition to manufacturing steel and iron bridges and structural steel, allied products are also produced, such as cranes and traveling apparatus for shipyards and industrial plants. The company does, also, general machine shop work. The principal plant is at Lachine, near Montreal, but there are also branch plants at Toronto and Winnipeg.

The company operates several subsidiaries, most of which are owned outright, or practically outright. They include the National Bridge Company, the Canadian Tillsoil Farm Motors, the Robb Engineering Works, which manufacture boilers at its plant in Nova Scotia, and the Dominion Engineering Works.

The Largest Subsidiary

The last named is the largest subsidiary and the parent company owns abount 57 per cent. of its capital stock.



The Dominion Engineering Works manufacture pulp and paper making machinery, hydraulic and hydro-electric machinery and general heavy foundry and machine shop business. This company is dealt with separately at the conclusion of this article, as there is a large public interest in its common stock, and as "Bridge" derives a large revenue from this source.

In 1922 and 1925 Dominion Bridge made no earnings on its common stock and in 1923 and 1924 the earnings were a little over 4 per cent. on the common.

Industry is Overbuilt

The high for the stock was back in 1915 when it touched 237 and the low was in 1922 when it sagged down to 51. If the Dominion as a whole is in for a period of expansion, it can be seen how great are the possibilities of the shares in this company which has come through the post-war depression in excellent financial position.

The bridge building and structural steel industry in Canada is in exactly the same position as many other industries; it is overbuilt. It is significant that in 1922 and 1923 the total output of fabricated steel did not come up to 50 per cent. of the total capacity of the various plants.

Competition Was Too Keen

There are two companies in Canada in a position to compete with "Bridge." One is the Canadian Bridge Company at Walkerville, and the other is the Canadian Vickers. A year or so ago, there was very keen competition between Vickers and "Bridge." It was said that either company would cut their prices to any degree in order to obtain business from the other. However, to-day, it is understood that better relations obtain between the competitors and that tenders are not being made at below reasonable figures simply to obtain orders to keep the plants in operation, and to keep business away from competitors.

To Reduce Overhead

As far as the future is concerned, there is one feature which adds a lure to the stock. This is the big contract for the Montreal South Shore bridge which the company has obtained and which will amount in all to $7,200,000. It is understood that "Bridge" will not show profits from this contract till the year 1930, when it is finally completed. But in the meantime, the work on the bridge will provide steady work for the company, which in turn will materially reduce the overhead costs. At the present time, Dominion Bridge is erecting the new head office of the Royal Bank Building in Montreal. This contract alone, it is said, will bring in a gross revenue of some $850,000.

Small Orders Are Important

While the large spectacular orders undoubtedly have a definite effect on the earnings, yet it is not to be forgotten that, broadly speaking, the level of the earnings depends more on the general level of the demand for structural steel than on one or two spectacular orders.

There are many who now feel that the turn of the economic tide has come and that the next three or four years will see a satisfactory and steady demand for fabricated steel throughout the Dominion as a whole. If this be so, the shares have many attractions.

At the present time the stock pays 4 per cent. per annum, but a 2 per cent. bonus has just been declared. It is felt that the dividend rate may be increased to a 6 per cent. level early in 1927.

It is felt also that at the moment the company has enough work on hand and in view to keep its plants going full for the next two years.

Dominion Engineering

The Dominion Engineering Works was organized as a subsidiary of the Dominion Bridge Company in 1920, taking over the business of the Dominion Engineering and Machinery Company, also a subsidiary of "Bridge." It specializes in pulp and paper making machinery, hydraulic machinery, as well as engaging in heavy foundry and machine shop work. It has an agreement with the William Cramp and Son Ship and Engine Building Company of the United States for the exclusive use in Canada and the British Empire of that company's designs for water wheels and other hydraulic machinery.

Paper making and hydraulic machines were being imported to a great extent from England and the United States previous to the acquisition of these rights by the Dominion Engineering. The company's plant is situated at Lachine, close to the plant of the Dominion Bridge and is well adapted to these types of manufacture which require large space, heavy equipment and skilled labor.

In both these fields of endeavor, the company has achieved a high reputation and in the case of newsprint machines used in the pulp and paper industry, it is generally regarded as producing some of the most efficient machines in the world.

Overloaded This Year

During the past year, the company was so overloaded with orders that it was forced to turn down valuable contracts from new Canadian newsprint mills. At the present time it is engaged in finishing up a contract for four newsprint machines for the new mill of the International Paper Company on the Gatineau River. These machines are the widest which have ever been built and turn out a sheet of newsprint 270 inches in width. The company, in addition to others, has secured the order for the machines for the Ste. Anne Paper Company. It has supplied, also, the hydraulic machinery for the Gatineau Power Company. The future outlook for the Dominion Engineering works depends, as can be seen, on the amount of hydraulic or hydro-electric and pulp and paper development in Canada during 1927.

Demand Will Increase.

The outlook for increasing hydro-electric development is excellent for, since around 1920, the output of electric energy in this country has just about doubled itself every seven years—and the end of this expansion is not in sight. In view at the moment are such projects as the third power plant of the Gatineau Power Company and the development of Carillon Falls on the Ottawa River; the latter will be carried out under the aegis of the Shawinigan Water and Power Company. There are other smaller projects also in prospect.

There then remains the projected pulp and paper developments. At the present time, there are more pulp and paper projects in view than ever before; so that, what with the continued development of both these industries, the future outlook for the Dominion Engineering Works seems to be better than satisfactory.

During the past year the Dominion Engineering Works has declared interim dividends on its capital stock totalling in all 6 per cent. The parent company, therefore, received from this source about $80,000, or the equivalent of about 1½ per cent. on the outstanding stock of the Dominion Bridge.

Both the parent and the subsidiary companies have no bonds or other indebtedness outstanding ranking ahead of the common shares. Neither have any preferred stock issues. Thus, future profits, if they be increased, will apply only to the shares of both companies.

STEEL INDUSTRY HAD MUCH BETTER YEAR THAN IN 1925

Many Companies Increased Sales 25 to 75 Per Cent.

Definite reason for optimism is provided by figures on 1926 sales given to Canadian Machinery's Annual Review number by leading steel and equipment firms.

Some branches of the steel industry still face serious problems, but on the whole the reports are optimistic.

More business was secured by all branches of the industry than in 1925 and more money was made. That the profit on individual lots was not as great as last year is probably a correct claim, at any rate it is voiced by many manufacturers.

However, increased totals of trade more than overcame the effects of price-paring caused by competition. More business was handled, and that is what industry has been asking for.

Generally Optimistic on 1927

What of 1927? Opinion, naturally, is divided on a speculative question, but the general belief is that the year now opening will probably exceed 1926 in quantity of business, while there seems to be a wide-spread certainty that prices will be more remunerative.

In the twelve months of 1926, demand for equipment definitely improved. Ontario, Quebec and British Columbia were the bright spots. The Prairie Provinces just about held their own, while the Maritimes showed a definite loss of business.

Machine Tools Active

The demand for machine tools was consistently good, as was the call for transmission equipment.

The expansion or development of Canada's natural resources is credited as the source of a great bulk of the tonnage reaching the metal-working industry, and on continued activity in pulp and paper, mining, power and other fields, is based much of the optimism shown for 1927 prospects.

Iron and steel output was greater in the first ten months of 1926 than in the whole of 1925.

R. M. Morton, president, Sarnia Bridge Company reports sales of 80 per cent. over 1925 with outlook for 1927 much brighter.

C. Lang, president, Canadian Lamp and Stamping Company, Toronto, shows 15 per cent. increase and Alex Gray, president, Gray Ball Bearing Company, Toronto, a 41 per cent. increase.

B. W. Coghlin, president, B. J. Coghlin, Ltd., Montreal, says business was 75 per cent. better in 1926 with outlook for 1927 good. Many other executives speak along similar lines.

E. W. Beatty says in an article in this issue:

"Not for a long period has Canada faced a New Year's opening with more reason for confident hope in the immediate future than is now clearly observable as we enter the sixtieth year of Canada's confederation. Business and economic conditions in all parts of the country are basically sounder than they have been for several years and the spirit of the Canadian people has undergone a notable change in the past few months.

Great Progress Ahead

Sir Henry Thornton is equally optimistic, declaring that "Canadians have plenty of cause for continued optimism when they consider the accomplishments of their Dominion during the year just closing and its possibilities for the future. Statistics of every kind show that 1926 has been a year of achievement in all lines of endeavor, and forecasts for 1927 are cheerful in every line of industry. I do not see how anyone can study Canada's accomplishments without feeling that there are bright days in store, and that the people of the Dominion have every reason to anticipate that greater progress and prosperity lie just ahead."

Cold Weather Affects Weekly Car Loadings

Cold weather and the close of lake navigation affected car loadings during the week ended December 18 in the western division, while in the eastern division, instead of a seasonal decline as in the past three years, the total loadings showed an increase. There were 63,590 cars loaded, as compared with 67,051 in the previous week and with 64,760 in the same period a year ago.

The grain movement is still backward and much of the decrease in loadings in the west is due to this factor; merchandise and miscellaneous freight also fell off slightly. In the eastern division, grain showed a small decrease; coal, pulpwood, merchandise and miscellaneous freight, an increase.

Despite the smaller movement during the week of December 18th, the cumulative total of loadings for the year to date, is considerably in advance of that recorded for the same period of the previous year, the totals being 3,155,953 and 2,899,518, respectively. Grain loadings are practically the same; livestock is off about 9,000 cars; while each of the other classes recorded a substantial increase. Merchandise loadings were especially heavy, being about 56,000 cars ahead of last year.

CITY OF MONTREAL

BOND SALE $5,700,000

4½% BONDS

Sealed tenders addressed to "City Treasurer, City Hall, Montreal, Canada," and marked "Tender for City of Montreal Bonds," will be received by the City of Montreal at the office of the City Treasurer, City Hall, Montreal, up to twelve o'clock noon, on Tuesday, the 4th of January, 1927, at which hour the Tenders will be opened at a public meeting of the Executive Committee of the City in their Committee Room, at the City Hall, for the following bonds:—

$1,700,000—Bonds dated 1st December, 1926, and maturing 1st December, 1966, issued for the purpose of extending the underground conduit system.

$1,000,000—Bonds dated 1st December, 1926, and maturing 1st December, 1966, issued for the enlargement of the Water Works.

$2,000,000—Bonds dated 1st December, 1926, and maturing 1st December, 1966, issued for the enlargement of the Water Works.

$ 600,000—Bonds dated 1st December, 1926, and maturing 1st December, 1966, issued for Public Works.

$ 400,000—Bonds dated 1st December, 1926, and maturing 1st December, 1966, issued for a conduit system for civic lighting and fire alarm.

A Sinking Fund is provided for each of these loans.

The above mentioned loans will bear interest at the rate of 4½% per annum, payable half-yearly on the 1st of June and the 1st of December. They will be issued in denominations of $1,000, with interest coupons attached and may be registered as to principal only.

Bids will be received for bonds payable, both as to principal and interest, at the office of the City Treasurer in Montreal, or at the Agency of the Bank of Montreal, New York, U.S.A. The amount tendered to be payable with accrued interest in Canadian Funds against delivery of the bonds at the City Hall, Montreal.

Tenders must be for the whole amount and not for any one loan or part thereof.

Each tender must be accompanied by a certified cheque on the Montreal Office of a Canadian Bank payable to the City Treasurer for $57,000 as security for the performance of the bid, if accepted. No interest will be allowed on any certified cheque deposited except that of the purchaser of the bonds.

The bonds will be delivered on the 25th of January, 1927, or as soon thereafter as they can be prepared. Interim bonds will be issued, if necessary.

The right is reserved to reject any or all tenders.

The opinion of Hon. Charles Laurendeau, King's Counsel, as to the validity of the bonds, will be delivered free of charge to the purchaser.

Further information and particulars may be obtained by applying to the City Treasurer, City Hall, Montreal.

P. COLLINS,
Assistant City Treasurer.

City Treasurer's Office,
Montreal, December 29th, 1926.

Ontario Steel Does Well

MONTREAL.—It is understood that the Ontario Steel Products Company has been able to maintain the level of its business which prevailed during the latter half of the last fiscal year which ended June 30, 1926. Thus at present the outlook for increased profits during the current fiscal year is of the best.

"GLASS" DOING BETTER

From Our Own Correspondent

MONTREAL. — The outlook for the Dominion Glass Company during the coming year is the more satisfactory, as the orders which the company now has on hand are ahead of those on its books at the corresponding period of 1925. Judging from the last annual report recently presented to the shareholders, and from the continuance of improved business since the close of the last fiscal year, it appears that the company has ended its period of reduced earnings and once again is entering a more prosperous period.

D. C. Haig Elected

D. C. Haig has been elected a member of the Toronto Stock Exchange.

The Government Service and YOU!

To the Citizens of Canada:

Year after year you pay taxes in order that the complicated machinery of national government may function. But do you know what YOU are getting for your money? Do you, as a business man, as a farmer, as a fruit grower, as an office worker or a factory worker, as a sailor — no matter what your occupation may be — know that there is a government department designed expressly to protect your interests and look after your welfare?

Do you know that every time a housewife buys an egg or a piece of meat a government department has taken steps to safeguard the health of her family?

Do you know that there are government experts to assist you in your own business?

Few Canadians know all they should know about their own country, about its operating machinery. All Canadians can be fully informed by reading the most comprehensive series of articles yet presented on the Daily Job of Government —

"The Government Service— and YOU"

by

Norman Reilly Raine

commencing

JANUARY 1

in

MACLEAN'S

The first article, "NURTURING OUR AGRICULTURE," will deal with the work of the Department of Agriculture. Subsequent articles will deal with the Departments of Finance, Health, Trade and Commerce, Labor, Mines, Post Office, Railways and Canals, Immigration and Colonization, Interior, Justice, Marine and Fisheries, Public Works, etc.

Ask your newsdealer to reserve you a copy of

10c. MACLEAN'S Canada's National Magazine **10c.**

Public Utilities

BELGIAN MEETS CHECK IN FIGHT OVER TRACTIONS

Lowenstein Apparently is Seller of Brazilian in Montreal Market

Interest is renewed in Brazilian Traction as a result of unofficial reports which have reached this country concerning a meeting in Brussells before Christmas of shareholders in Societe Internationale D'Energie Hydro-Electrique, otherwise known as Sidro. Capt. Lowenstein, the Belgian financier, apparently did not have his own way at this meeting.

The specific proposal advanced to shareholders in Sidro was two-fold. First, they were asked to vote in favor of increasing the capital by 37,500,000 francs, from 162,500,000 francs to 200,000,000 francs by the creation of 75,000 preference shares and 75,000 ordinary shares, both of the normal value of 250 francs. Of these new shares, 11,250 fully-paid preference and 11,250 fully-paid ordinary shares were to be issued to the International Holdings and Investment Co. in exchange for 7,500 7 per cent. non-cumulative preference shares of the Barcelona Traction, Light & Power Co. The balance of 63,750 preferred and 63,750 ordinary shares were to be issued for cash.

Lowenstein Meets Check

Capt. Lowenstein's proposal that Sidro purchase the Barcelona shares was flatly turned down, it is reported authoritatively. Even the directorate was said to have been opposed to the proposal and the meeting in effect was an appeal by the Lowenstein faction over the directors' head. The surmise is that Capt. Lowenstein is short of cash and this is confirmed by a report that a loan has been sought on 25,000 shares of Brazilian Traction. Several sellers have appeared in Montreal for New York account and it is assumed that these have been acting for the Belgian financier.

For the time being, therefore, the upper hand in the long-drawn-out contest for control of Brazilian appears to be with the Toronto group. That the stock did not recede materially in the face of heavy selling at Montreal is indicative of quiet buying on the part of some interests not friendly to the proposal that Brazilian's lot be thrown in with other Hispanic enterprises which are not in such sound financial condition.

POWER PLANTS IN MANITOBA EXPAND

More Paper Mills Also Under Discussion—Manitoba Power Now at 84,000 h.p.

Pulp and power site developments are expanding rapidly in Manitoba. The wheels are now turning in the McArthur-Spanish River paper mill at Fort Alexander and the company is making persistent efforts to have its area extended as against the time when other units will be in operation. At the same time the Backus-Brooks interest has announced intention to begin the construction of a 250-ton per day mill as soon as assured of timber limits. This mill, it is said, will be constructed in the suburbs of Winnipeg. The Seaman interests of Chicago are also asking for limits somewhere in northeast Manitoba that will justify them in erecting a mill of 300-ton daily capacity. Automatically, a timber limit concession carries with it the right to develop all water power sites in the territory embraced by the grant.

The Manitoba provincial government is insisting that it be consulted by the federal government before any further alienation of natural resources in Manitoba occurs but the negotiations to this end have not made much progress.

In the mining fields of northern Manitoba there is such a general demand for large blocks of hydro-power that development in that direction will be assured of profitable employment of all power developed as soon as it is delivered.

The civic hydro plant on the Winnipeg River has now reached capacity and the city has been compelled to contract for some 30,000 annual horsepower current from the Manitoba Power Co. This company now has three units in operation developing 84,000 horsepower and the fourth unit of the Great Falls plant of the company will be ready for business early next summer. In order to cope with the prospective demand for power, the Manitoba Power Co. will expend several million dollars in 1927 to supply adequate service, but if the four proposed paper mills now bidding for limits in this field secure their requirements the present hydro capacity of the territory will have to be doubled to meet all requirements within three years.

Public Utility Earnings

Canadian Western Gas

	1925	1926	Change
January	$163,953	138,443	—$25,510
February	171,679	126,850	—44,829
March	148,335	111,770	—36,565
April	91,602	106,121	+14,519
May	61,584	52,898	— 8,686
June	43,159	37,018	— 6,141
July	34,097	43,725	+ 9,628
August	37,068	40,520	+ 3,452
September	60,562	70,323	+ 9,761
October	117,443	95,064	—22,379
Agg. earn. fr. Jan. 1 to Oct. 31	929,482	822,732	—106,750

Monterey Railway, Light

	Gross	W. ex. inc. prov. for ren. and obsolescence	Surp.
Rail. Light & Pr.	$246,390	$250,402	x$4,012
Water & Sew.	70,114	33,055	37,058
Total	316,504	283,457	33,046
Agg. earn. from Jan. 1, 1926, to Sept. 30, 1926	905,396	837,704	67,692

x Deficit.

Conference Articles Gave Needed Publicity

Dominion Advertisers, Ltd.,
Montreal
Editor, The Financial Post:

Your series of articles by Mr. Horace T. Hunter was a very outstanding contribution on the Imperial Conference, what it did and what it did not do. They gave the right kind of publicity to this conference in a way that no other publication has done. They gave really constructive criticisms, just what were needed.

Yours sincerely,
R. O. Stevenson,
President.

POWER PLANTS ADD TO CAPACITY ALL OVER DOMINION

Busy Year for Canada's Constantly Expanding Utilities

This has been a busy year for many important public utility enterprises in Canada. Public utilities are constantly expanding. Few communities are stagnant as to population and as the figures on their census rolls mount up, there is a constant demand upon the local public utility companies for increased services. Even where population is not expanding, public utilities often show a tendency to grow; gas and electric light and power develop in importance and their sales increase to old customers.

Because of their contstant growth, public utilities are almost continuously borrowing money. Borrowing money in the case of a public utility is more likely to be a sign of healthy growth than of financial weakness. New bond and stock issues of public utilities are always coming on the market.

Particularly in the field of water power, has there been substantial growth in Canada in the past year and many companies, whose securities are widely distributed among investors, have added to their productive capacities.

West Kootenay Light and Power Co.

This company, which is controlled by Consolidated Mining and Smelting Company, completed one programme of development by adding a third unit of 20,000 h.p. to its Lower Bonnington Falls plant, bringing capacity to 60,000 h.p. This company intends shortly to begin work on a new development of 60,000 h.p. at South Slocan.

British Columbia Electric Railway

The company spent much money in enlarging its capacity during the year. The Allouette dam and spillway was completed and, on Vancouver Island, the Jordan River storage dam was raised. The construction of the 12,500 h.p. Allouette power station is being proceeded with and will soon be completed. A major development at Bridge River, calling for an initial capacity of 54,000 h.p., that may eventually reach from 500,000 to 700,000 h.p., will shortly be actively under construction.

Calgary Power Company

No installations were made but transmission lines were extended to take in additional small communities.

Winnipeg Electric Company

Through its subsidiary, the Manitoba Power Company, this organization brought in its third unit at the Great Falls plant. This made the total capacity 84,000 h.p. A contract for the fourth unit of 28,000 h.p. has been let and the job will be completed, it is planned, in 1927. Various improvements have been made to the power plant and transmission lines have been built to the Manitoba Paper Company's plant at Fort Alexander. It is planned to build another line to the Rice Lake Mining district.

Quinte and Trent Valley Power Company

During the year this company financed extensions to its plant and completed two developments, one at Campbellford, with 1,000 h.p., and one at Frankford, with 2,980 h.p.

International Paper Company

Through its subsidiary, the Gatineau Power Company, this organization has commenced construction on three hydro-electric developments on the Gatineau River; Farmers Rapids, 120,000 h.p.; Chelsea, 170,000 h.p., and Paugan's Falls, 240,000 h.p. The first two are practically completed and the third is under way. There was also a 16,800 h.p. addition to the Kipawa plant. Work was commenced in New Brunswick on the 60,000 h.p. development at Grand Falls.

Duke Price Power Company

Two 45,000 h.p. units have been added to the Isle Maligne development, bringing the total to 450,000 h.p. out of a proposed development of 540,000 h.p. Construction of a transmission line to link Duke Price with Shawinigan is under way.

Shawinigan Water and Power

Through its subsidiary, North Shore Power Company, Shawinigan, placed in operation a new 22,200 h.p. development at St. Narcisse. At St. Alban, a 4,000 h.p. development has been started.

Canada Northern Power

This company has just completed a fifty-mile transmission line into the Rouyn mining district.

Quebec Southern Power Corporation

This company has acquired the Jerome municipal plant and is increasing the installation at its Rawdon plant from 300 to 2,500 h.p. Ultimately this will reach 7,000 h.p. The company has added extensively to its transmission lines and distribution system.

Dividing Electric Dollar; Appliances Move Forward

A survey made under the auspices of the Assocciation of Edison Electric Illuminating Companies to determine the use to which electricity is put in the home showed that 83 per cent. of all electricity is used for lighting. The survey covered 10 cities in the northeastern section of the United States and comprised a total of 6,512 residents.

Averaging all classes gave the following results:

Electric lamps	83%
Electric flat irons	13
Washing machines	1
Toasters	0.8
Vacuum cleaners	0.7
Bowl heaters	0.3
Coffee percolators	0.3
Curling irons	0.08
Grills	0.08
Electric fans	0.06
Sewing machines	0.05

These figures would indicate that the use of electrical appliances in the average home presents an unlimited field for extension of electric service, the convenience of which many people are only beginning to appreciate.

Canadian Pacific Earns 15 Per Cent. on Shares

From Our Own Correspondent.

MONTREAL.—For the 1926 year, it looks very much as if the Canadian Pacific Railway would show net earnings applicable to its common shares of about 15 or 15.5 per cent. as compared with dividend requirements of 10 per cent. During the four preceding years, the company has not earned more than a maximum of 12.5 per cent. and a minimum of 11 per cent. on its common stock.

For the eleven months period ending November, the net earnings as compared with 1925 showed an increase of over $8,000,000 and amounted to $43,328,944. Assuming that net earnings of December show the same increase over last year as did the earnings during the month of November, the net earnings from railway operations for 1926 will total over $48,000,000.

Last year the company's special income account showed earnings of over $11,000,000; these earnings are derived from investments, steamships and other miscellaneous sources.

Will Have $40,000,000 for Dividends

Figured on the 1925 basis therefore, the company should show in 1926 net earnings of around $59,000,000. Deducting from these figures last year's total of $19,000,000 for fixed charges and preference share dividends it will be seen that in all probability the company will show some $40,000,000 applicable to dividend requirements of $26,000,000; the latter represents 10 per cent. on the road's $260,000,000 of common stock outstanding.

From the foregoing it will be seen that the forecast of 15½ per cent. in net earnings applicable to the common stock is not particularly optimistic.

The increased gross and net which the company has earned this year are such as to be very pleasing to the shareholders and show that the great transportation system is a mirror in which can be seen the progress of the Dominion as a whole.

The increasing earnings of the road are naturally responsible for its rise on the market. The low for 1926 was 148; this was early in the year. Since that date, the shares have shown a fairly steady increase in price. At the beginning of the year, the stock yielded just under 6.9 per cent. and at present prices the yield is about 5.9 per cent.

RUSSELL MOTOR EARNINGS SAID TO BE GROWING

Attracts Quiet Attention Because of Activity and Sound Balance Sheet

There is growing investment interest in Russell Motor Car Co., which owns Canada Cycle & Motor, Canadian Acme Screw & Gear Co. and Willys-Overland (Canada). The earnings of the company in the half-year just closing are said to be very good. Details as to the nature of the business which has been responsible for the improvement are lacking, but it is recalled that Canada Cycle has been showing increasing earnings for two or three years. An excellent business in children's vehicles has been established, it is reported.

The motor car business for Russell Motor also has been very good. It was said that the earnings for the previous year ended last July 31st, would have been better if it had not been for the unsettling influences of the Robb budget as first announced. However, President T. A. Russell remarked at that time that amendments had become effective which materially corrected the ill-effects of the early rulings and he intimated a satisfactory future could be safely forecast.

Finances Are Healthy

Some of the interests who have been watching the progress of this company have gone even so far as to predict that earnings would eventually be on a par with the best years in the company's history. This, however, is not to be expected. Few companies in this highly competitive business in time of peace can expect to pay up three years' dividends in one, as happened once during the war.

Yet better days probably are coming. The capitalization of the company is moderate, $2,000,000, while total assets are in excess of $3,000,000, with nothing showing for good will. The surplus at the end of 1926 (July 31) was $530,000. The preferred dividends are paid to date and a dividend of 1¼ per cent. recently was authorized for the five months ending December 31.

Ft. William Pulp Mill Finished

MONTREAL.—The Fort William Pulp and Paper Company expects to have its new sulphite mill in operation by the end of January. This building, with equipment, will cost about $1,000,000.

It is reported that the erection of the new sulphite mill is only the beginning of a program of expansion which will be carried out during the next few years and which will result in a greatly increased production of newsprint. The capacity of the new sulphite plant is 75 tons daily, and it has been built on a scale to take care of additional newsprint machines that are expected to be installed in the future.

Pure Food Stores May Soon Pay on Common

Pure Food Stores has just purchased and cancelled $25,000 of its first preferred stock. This was accomplished out of net earnings and was in anticipation of future sinking fund requirements.

The company, with its thirty-eight stores in greater Montreal, is now doing the largest volume of business in its history. The autumn and early winter seasons are the most profitable period in the business of retail food distribution. Not only is the company doing a splendid volume of business at the present time, but its margin of profit is very satisfactory as a result of the low costs of its self-service feature of distribution which now characterizes by far the greater part of its stores.

The company's first preferred stock issue, which was originally $175,000 is now $150,000 The company's present fiscal year ends on April 30th, 1927. In view of the company's strong liquid position and the continued development of its earning power, it would not be surprising if there were inaugurated a dividend on the common stock at the end of the present fiscal year.

Canada Steamers Spends $2,150,000 on New Ships

From Our Own Correspondent.

MONTREAL.—One new passenger vessel and four new package freighters will be added to the fleet of Canada Steamship Lines in the next six months. Two of the freighters are practically completed and will be launched at the Midland yards in a few days. Another two, also being constructed at Midland, will be ready in June next. The first two will not be actual additions to the fleet, because they are intended to replace tonnage that is becoming obsolete. The other two, however, will be direct additions to the carrying capacity of the company.

The new passenger vessel, that is being constructed at the Davie yards in Quebec City, will be ready about the first of May next. This will to some extent take the place of the steamer "Montreal" that was burned recently. The new boat is a twin to the steamer "Richelieu," and somewhat larger than the "Montreal." The cost will run somewhat over $1,250,000. A new boat has been ordered to replace the "Montreal," but this will not be ready at the Davie yards until about the first of May, 1928. The cost of the package freighters will be about $900,000, or about $225,000 each, making the total value of the new boats for next year about $2,150,000. During the past two or three years the company has almost doubled its package freighters, as these have proved among the most promising sources of new and increased business.

Gosse Packing to Earn $12 on Common Shares

The Gosse Packing Company, has acquired another cannery on very advantageous terms. This cannery, located in a section which has not been covered heretofore by the Gosse organization, was paid for out of earnings.

It is estimated that after adequate provision for taxes and depreciation the company will earn its preferred dividend this year more than three times over. After payment of the preferred dividend net earnings will exceed $12.00 per share on the common stock. The strong liquid position of the company, of course, will be enhanced considerably as a result of this season's operations.

It is the company's intention to make application for the listing of the preferred and common stocks on the Toronto and Montreal stock exchanges—probably about next spring.

Royal Bank Figures

In the annual report of the Royal Bank of Canada published and reviewed in other parts of this issue, "real estate other than bank premises" should read $2,141,979.64 instead of $6,000 higher than that figure. This makes "other assets" read $542,854.94.

Stocks and Bonds

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What is a Good Power Investment?

Certain essentials should be considered by anyone thinking of buying power securities:

Can the power be marketed profitably?

Is the capitalization per horsepower moderate?

Has the management shown ability to create and hold a market?

We herewith recommend the securities of two companies that meet these requirements.

AVON RIVER POWER CO. LIMITED
First Mortgage 5½% Gold Bonds
$98.50 and Interest
To yield 5.60%

QUINTE & TRENT VALLEY POWER CO.
Preferred Stock
$99.00 and Accrued Dividends
to Yield over 7%

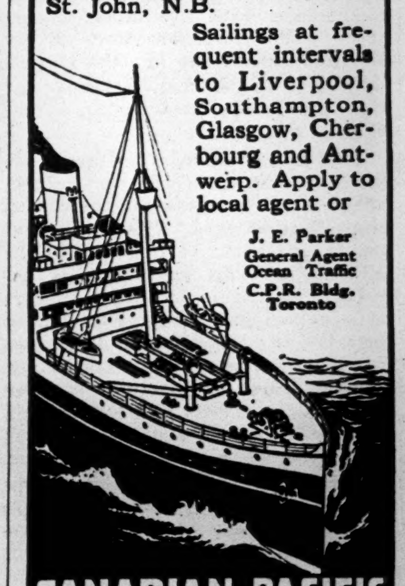
Descriptive Circulars Furnished on Request.

JOHNSTON AND WARD
14 King Street East, Toronto

Members: Montreal Stock Exchange—Toronto Stock Exchange

Vancouver Grain Shipments

From the standpoint of shipping the grain business of the port of Vancouver has been better during the calendar year 1926 than it was in 1925. The total grain exported to the present, since January, 1926, was 41,660,155 bushels. The movement in 1925 was 33,405,872 bushels. In 1924 the record of 55,873,788 bushels was made.



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General Agent
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C.P.R. Bldg.
Toronto

CANADIAN PACIFIC STEAMSHIPS

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank for the election of Directors, and for other business, will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 11th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,
S. H. LOGAN,
General Manager.
Toronto, November 26th, 1926.

The Dominion Bank

NOTICE is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1926, and, in addition, a Bonus of one per cent. making a total distribution of thirteen per cent. for the current year—the Dividend and Bonus will be payable at the Head Office of the Bank and its Branches on and after Monday, the 3rd day of January, 1927, to Shareholders of record of 20th December, 1926.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, the 26th January, 1927, at twelve o'clock noon.

By Order of the Board,
C. A. BOGERT,
General Manager.
Toronto, 25th November, 1926.

PROVINCIAL PAPER MILLS Limited

DIVIDEND NOTICE

Notice is hereby given that Dividends have been declared by PROVINCIAL PAPER MILLS LIMITED, as follows:

Regular Quarterly Dividend 1¾% on Preferred Stock.
Regular Quarterly Dividend 1½% on Common Stock.
Special Dividend 1% on Common Stock.

All payable January 3rd, 1927, to Shareholders of record as at close of business December 15th, 1926.

(Signed) W. S. BARBER,
Secretary.

Automotive Credit Corporation LIMITED

NOTICE TO BONDHOLDERS

Notice is hereby given that the regular half-yearly interest of three and one-quarter per cent. (being at the rate of six and one-half per cent. per annum) will be due and payable on January 1st, 1927, and coupons should be presented at the office of the Company, 702 Temple Building, Toronto, Ontario, on or after that date.

Registration and Transfer Books will be closed from December 24th to December 31st 1926, both dates inclusive.

By order of the Board,
A. E. HYNDMAN,
Secretary.
December 20th, 1926.

Abitibi Power & Paper Company Limited

Dividend Notice

Notice is hereby given that a quarterly dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company Limited, payable the 3rd day of January, 1927, to shareholders of record at the close of business the 20th day of December, 1926.

By order of the Board.
W. H. SMITH,
Secretary-Treasurer.

WOODS MANUFACTURING COMPANY, LIMITED

PREFERRED STOCK DIVIDEND NOTICE

The regular quarterly Dividend of One and Three-Quarters (1¾%) per cent. on the PREFERRED STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending December 31st, 1926, has been declared payable JANUARY 3rd, 1927, to Shareholders of record DECEMBER 28th, 1926.

By Order of the Board,
JOHN T. F. KEENE,
Secretary-Treasurer.
Montreal, December 17th, 1926.

WAYAGAMACK PULP & PAPER COMPANY, LIMITED

Dividend No. 7

Notice is hereby given that a Dividend of Seventy-five Cents (75c.) per share has been declared on the No Par Value Common Stock of the Company, for the period ending 30th November, 1926, payable on the 3rd January, 1927, to Shareholders of record at the close of business on the 21st December, 1926.

By order of the Board.
D. L. ADAMS, Sec'y-Treas.

INTERNATIONAL PAPER COMPANY

New York, Nov. 24, 1926.

The Board of Directors have declared a regular quarterly dividend of one and three-quarters per cent. (1¾%) on the cumulative 7% Preferred Stock of this Company, and a regular quarterly dividend of one and one-half per cent. (1½%) on the Cumulative 6% Preferred Stock of this Company, for the current quarter, payable January 15, 1927, to holders of record at the close of business January 3rd, 1927. Checks will be mailed. Transfer books will not close.

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TORONTO, DECEMBER 31, 1926

TO LIVE OR DIE?

WITHIN a few days parliamentarians from all parts of the Dominion will re-assemble in the Houses of Parliament at Ottawa. These men will have much to say as to the future of the Nova Scotia steel industry. Of late, there has been some improvement in the industry. It has obtained more orders. But such orders have resulted in nothing like profits commensurate with the amount of capital which has gone into the making of the Sydney and New Glasgow steel plants. These are the fundamental facts surrounding the industry.

The Federal Government has two courses before it with regard to this industry, it may do nothing to assist this industry; in which case there is grave danger that the industry's sphere of activity will revolve in gradually decreasing concentric circles until it finally gives up the ghost and dies. Under present conditions, the steel plants earn an operating profit at times and at other times they do not. Of course the plants do not earn sufficient to meet the interest on the mortgages on the properties. Due to the position which it occupies, the industry can not make proper allowances for depreciation nor can it adopt up to date methods which would allow it to compete on a more equitable basis with foreign producers.

On the other hand, the government may decide to do something to help keep the industry alive. Discussion along these lines will naturally revolve upon the recommendations contained in the Duncan report. As these recommendations affect the national treasury it would be well set forth in a word or two just what the suggestions regarding the steel industry are and why they have been made.

In the first place, the steel industry in Nova Scotia asks for assistance on the ground that other industries are safeguarded by tariff protection. There is a duty on steel entering Canada, but certain specified industries receive a drawback on their imported steel. Imports which enter in this way duty free, or practically duty free, constitute a large percentage of the total imports. On these grounds, the steel industry of Nova Scotia asks for consideration at the hands of the government. The Royal Commission on Maritime Rights has looked into the question and has made the recommendation that the industry receive further consideration, not by increased tariffs, but by bounties arranged on basis of the steel which enters duty free. In other words, the commission has suggested that the steel industry of the Maritimes be bonused so that it can compete on an equitable basis with the steel which is allowed into this country without payment of duty.

OBVIOUSLY GOOD

THERE may be sermons in stones and running brooks and good in everything, yet to the casual or to the unobservant eye the good which lies on the surface is usually so apparent that it perhaps does not receive the attention which it deserves. An instance of this lies in a meeting of one of the weekly service luncheon clubs in Montreal.

It is, of course, generally realized that these clubs do a not inconsiderable amount of good work in a social service way; but perhaps they achieve much greater results in other directions. At this particular luncheon, a French Roman Catholic Montreal business man presented a clock to a Methodist parson and in all sincerity wished him God speed in the new work to which he had been called in another province. The next item on the program of the meeting was an appeal by a Jewish member of the organization for further funds and for assistance in carrying out the club's program of distributing Christmas presents to underprivileged kids in the poorer parts of the city.

Men who have worked together in this way in all these clubs across Canada can not in the future be made to believe bed time stories regarding the character, the intentions or the ideals of the various creeds and nationalities which all combined produce Canadians.

Fitfty years ago in Montreal, it would have been impossible to find any such group of men gathered together except to serve their own personal ends. To-day all the components of our nation are just beginning to know one another and just beginning to appreciate one another; for the last can not help but be a corollary of the first.

The working together of those of different nationalities and different creeds in this fashion is without doubt one of a most hopeful portents for the future.

SELF-HELP IN THE EAST

THERE is no doubt that the farmers in the three Maritime provinces have lacked genuine prosperity in the last few years. Agriculture in the Maritimes has been built up largely on the New England market. The closing of that market by United States tariff walls hit agriculture in the Maritimes a body blow. Now Maritime farmers are seeking a way to adjust themselves to their new and apparently less satisfactory conditions.

In the Morning Chronicle, of Halifax, Dr. M. Cumming discusses this question. He asks what is wrong with agriculture in the Maritime provinces and offers suggestions for the restoration of prosperity to that great branch of production in the three Atlantic coast provinces.

Dr. Cumming suggests, first, that the farmers produce larger amounts of products for which there is a ready cash market; potatoes, apples, dairy products, etc. Less attention should be paid to live stock, which can only be raised at high cost and sold in competition with live stock raising areas where costs are low. Every Maritime farmer should count on getting 35 to 40 per cent. of his income from cash crops, contends Dr. Cumming.

The prosperity of the farmer in the Maritimes rests with the building up of larger markets for these cash crops, it is declared. This means that industries should be built up in the Maritimes. This suggestion is peculiarly significant in that it appears in a paper that has long contended that the trouble with the Maritimes is the Canadian tariff. Ask almost any Maritime manufacturer how industry can be built up in Nova Scotia or New Brunswick and his reply will not be that of the Morning Chronicle.

Cultivation of trade relationships with the United States along lines that will restore the New England market to the Maritime farmer is another suggestion thrown out by Dr. Cumming, one that is excellent, but less practical at the moment than the first two, since with the first two the remedy is chiefly a question of self help. Dr. Cumming also suggests extension of co-operative marketing.

The tone of this article by Dr. Cumming is excellent. It shows introspective searching and a genuine effort to find out what the Maritime people can do for themselves to create greater prosperity on the Atlantic coast. It is no reflection upon the strong case of the Maritime Provinces for adjustment of their economic relations with the rest of Canada, to say that self help is going to do most for the people of the East.

MANAGEMENT AND INVESTING

THERE has been a tendency recently to place much lighter emphasis upon the old and, as we have thought, tried methods of judging industrial securities. Assets and earnings have long been taken as two of the factors to be weighed with the utmost care in the purchase of the bond or stock of an industrial corporation. It was essential that there be assets to a book value, sufficient to protect the outstanding securities and that the record of earnings over a term of years was satisfactory. To-day, attention is still paid to these factors but greater emphasis is placed upon other factors; first, upon management and secondly upon what one writer calls vitality.

Experiences have multiplied to show that book value of a stock is no evidence of its real worth. To a less pronounced degree, but nevertheless to an extent sufficient to lead to some searching, we have seen that a company may be prosperous over a long term of years and then disintegrate, slowly or quickly, and lose its earning power. That is why new standards of rating are being called in.

Vitality and management are closely related. Vitality can hardly be judged by any rules that can be set up. The character of a business, its attunement to the needs of the day, the soundness of its essential idea, must be judged on the basis of old-fashioned horse-sense. Management can be measured to a better degree. We have confidence in a business headed by a Holt, a Hobson, a Ford, or a Rockefeller because we know the qualities that make them and any business they manage successful. One writer sizes up the essentials of good management as follows:

First, the ability through sound judgment to keep what is good in the present business, and to conduct operations in such a way that the enterprise may never be embarrassed by unexpected circumstances.

Second, the continual creation of ideas, taking the form of new products, improvement of old products, new sales policies, and new methods of manufacture.

Third, the courage to act boldly in the face of depression, coupled with common sense and conservatism in times of inflation.

Fourth, skill and intelligence in the wise and humane handling of labor; and shrewdness and frankness in the conduct of relations with the public.

Certainly these tests are good. But they do not appear in the balance sheet figures nor in the profit and loss statements. It takes closer study of a company and its executives to reveal the extent to which these factors are present in its management. Such a study is worth while, as it will lead the investor along avenues of profit.

INCOME TAX PITFALS

FOR investment purposes, the question "what is a dividend?" can be answered very easily. But for taxation purposes the answer is more complex. The income tax authorities at Ottawa recognize at least eleven different forms of dividends that can be paid by a company in as many different ways. Whenever a corporation pays a dividend in any one of these eleven ways, even inadvertently, and not knowing that the payment will be classified as a dividend, it makes it necessary for the shareholder to show the amount as income.

Unfortunately, in Canada there has not been a general publication of departmental rulings on income tax matters nor a thorough explanation of income taxation procedure. As a result, many an innocent investor has been taxed for income that he did not consider as such.

It is in an attempt to supply the more or less technical, but nevertheless, important, information on the fine points of the income tax law that The Financial Post is running a series of articles on the income tax. Points are being taken up and discussed that have never before been covered in print.

The article this week shows the eleven kinds of dividends that the government taxes. The article is evidence of the income tax pitfalls that lie in the way of the unwary corporation executive.

The entire series is in charge of an income tax expert of indisputable authority and ability.

CUSTOMER OWNERSHIP

PRINTER'S INK, an American paper published chiefly for people engaged in advertising work, is somewhat perturbed by a possible danger that it sees in customer ownership campaigns. Such campaigns have been put on chiefly by public utility corporations, that have induced their customers to purchase their securities. They have thus accomplished two purposes at one. They have raised capital at moderate cost, and ever increasing amounts of capital are essential to the public utilities serving growing communities, and they have won the definite interest and good will of thousands of their customers.

Printers' Ink admits that the customer ownership idea has worked out admirably, but it wonders if the plan would be looked upon as successful if the stocks so sold should decline rather than rise in market value. It does not think that the average public utility customer who buys $100 or so of stock (recognizes the possibility of loss in his investment. It is afraid that considerable ill-will is bound to be developed when a share of stock, for which one of these new investors has paid $100, sells a short time later at $96.

In examining into the merit of the apprehensions of Printers' Ink, it should not be forgotten that in Canada, and largely in the United States too, practically all of the securities sold in customer ownership campaigns have consisted of the preferred shares of the corporations represented. The preferred shares of a well-managed public utility, with the right kind of franchise assured to it by the good will that customer ownership combined with good service will win for a company, represents a very high type of investment. Such investments are likely to appreciate in value over a term of years, not only as earnings applicable to the junior securities that are the bulwark of the preferred shares increase but as the general price trend of sound investments continues its upward movement.

The danger of customer ownership is not any inherent danger in the idea itself. The danger is a quality to be measured individually in the case of each such campaign. Any soundly established public utility corporation that is doing right by the community it serves; that issues only such preferred shares as have a wide margin of safety in both earnings and assets, or an ordinary stock with peculiar contractual advantages such as exist in the case of Montreal Tramways, Consumers Gas and Bell Telephone, need not hesitate to sell its stock in local campaigns appealing to small investors. The rule should be; be sure your issue is right, then go ahead.

University Women in Business World

WHAT is the place of the university woman in business? Last week The Financial Post published two opposing views on the subject.

In the article below, Miss Margaret Thompson, head of the department of secretarial science at the University of Western Ontario, London, replies to the practical person who says that years at college are wasted for the woman going into business. Miss Thompson has been brought out from England by Prof. E. H. Morrow, to take charge of this new department, which will aim to give women entering business a cultural background tempered with practical training.

A further contribution to the discussion of the University Woman in Business comes from Sarah Joyce, of the Canadian Westinghouse Company's Toronto office. She is inclined to favor boys in office work because of their tendency to stick to business as a career. An article by her follows Miss Thompson's.

THE university woman in business! It seems that the prejudices against her are as strong as ever, and that they have by this time achieved so sturdy a growth that the actual nature of the work which precedes a Bachelor of Arts degree escapes notice.

At the outset, it is essential that one point be made very clear. It is admitted that the graduate in arts or science with no business training, or a perfunctory business training, is not good material from a commercial point of view. This is the very reason that a business course at the university is advocated, to be taken concurrently with such subjects of the general arts course as will prove helpful to the woman in business. Her business course means thorough training with high standards in shorthand, typewriting, accounting; for two years she is given practical experience in the office of the university in correspondence, filing, indexing, the reception of visitors and other branches of office routine.

Good Material in Abundance

It has been maintained up to the present the rare university woman who has been successful in business would have been just as successful without her university course. That is probably true, because the graduate who has been able in the past to make good—in spite of her lack of business training, and not, I would suggest, in spite of her education—has been the exceptional girl. Her type will succeed anywhere. It is the good, average, normally intelligent girl that is concerned. And that girl is found in large numbers in the universities of Canada. In England, the women's universities possibly cater more for the exceptionally gifted girl—the girl who is, alas, so often sadly lacking in "horse sense"—the girl to whom the mind of the business world instinctively flies at the mention of the graduate. But that is not the average type in the Canadian university, where there is good material in abundance.

How is it to be treated? Something is admittedly lacking in the bulk of women clerical employees. Is it experience? Then all that is required is time; and time, if one can judge by the remarks of employers, seems slow in bringing forth its treasures. Is it education? The university graduate has not acquired that reputation of hers for nothing.

Both Begin at Bottom

No, it is neither of these two alone. The girl graduate's business training will not have taught her the technicalities of, say, an engineer's office, it is true. Nor will the high-school-business-college girl's education have availed her anything in that respect. They begin together, therefore, at the bottom. But they work with different tools. Which has the better chance of learning her job first? If we go further, and allow them to master the technicalities of the business at the same time, which of the two is going to be able to express her knowledge lucidly on paper? It must be remembered, also, that the aim of this university course is to equip the graduate so that she may be able to hold her own against all comers in the matter of shorthand and typewriting and all the routine of the office.

No Right to Expect High Salaries

Mention has been made of the dearth of positions for women "at the high salaries they" (the college girls) "have the right to expect." Why have they the right to expect high salaries before they have proved their worth? Most assuredly they have no right, and by the time they graduate they will have acquired enough knowledge of commercial conditions to understand this position very clearly. It is not in the place they occupy at the beginning, but in the way they have learnt to work, that their hope of success, and the employers' hope of real assistance, lies. The business course at the university is the result of a genuine wish to provide better service for executives, as well as an interesting career for graduates. It is concentrated on turning out what is really needed—not on foisting the university woman on a reluctant business world. For this reason, the suggestion that there is nothing at the end to justify the expense, the length and the real work of practical university training does not seem to be a cause for much anxiety. The graduate who takes up her work seriously and sensibly, and to her four years' training adds profit from experience, should have nothing to fear. Commerce can always find room for efficiency.

Marriage Ultimate Objective of Women

By SARAH JOYCE.

ARE university women a success? No more than are women without university training a failure.

Granted that a young lady has correct spelling and grammar and uses initiative she cannot but be a success at any undertaking, business or otherwise, providing she goes at it for sheer love of the job.

A number of women enter any kind of profession with the idea that sooner or later Prince Charming will come along, when they will chuck their job as they do an old garment. Then all their business training is cast to the winds and the employer has to spend tedious hours getting another in training. Personally, I do not believe it is due to Prince Charming that young women do not climb the ladder of success as men do. Ask any employer and he will tell you that he is not certain as to the young lady's permanence in the office. A man generally sticks to his job more steadily after marriage. A woman generally leaves it. Doubtless this fact alone tends to make the employer fearful of handing out a position of responsibility, obtained by years of training, to a woman.

They Also Serve . . . . . .

Those Who Serve Writs on Fellow Men Need Nimble Wits to Catch Would-be Evaders

By ROY HENDERSON.

THE Rotarians and the Kiwanis may, with the missions, the churches and the charities, boast that their aim is to serve others, but there is a class of men who go about quietly night and day, patiently endeavoring, in the face of many obstacles, also to serve their fellow men . . . with writs. I refer to the process servers. The services of these men are very necessary to our system of legal jurisprudence.

To launch a legal action it is usually necessary to personally serve your defendant with a writ, or as the governing section of the Consolidated Rules of Practice in part reads: "...... every writ of summons shall be served personally, but if it appears that the plaintiff is unable to effect prompt personal service substituted service by advertisement or otherwise may be ordered......"

Goes Back to Early Times

Personal service of originating processes seems to have been demanded from the earliest time in the history of litigation, for the court wants to be sure that the parties actually know of the proceedings. Naturally enough, defendants have been anxious to avoid the semblance of knowledge of proceedings against them and have made the way of the process server a hard one. They have resorted to every manner of subterfuge and evasion to escape service. Disguises have been effected, escapes and hidings perpetuated, false reports circulated and identification denied. The unfortunate server has been met with hostile demonstration and even with bodily violence in the course of his efforts to hand the offending paper to the defendant. Instances are known where he has been made swallow the original to prevent the endorsement of the time and day of service.

So bad had become his lot and so often had injustice been done the plaintiff through his agent's failure that provision was made by the judges for substituted service where it could be shown that service was being evaded. Service is substituted by advertisement, by registered post, by service on solicitor, agent or other person in close touch with the party desired to be served, and by posting up. But as posting up is done on a board in the central office in Osgoode Hall, seen only by solicitors and their students, it would be hard to find anyone who has got actual notice in that way.

In Ontario, the sheriff's office serves most writs, except in Division court cases, where it is the absolute province of the division court bailiff, but many law firms adopt the practice of requiring their students to serve their papers as a part of their legal education. It is seldom now that violence is encountered in making service, but troubles enough present themselves. It is of some of the experiences of the law students that I wish to tell you.

Fooling Mr. Ducker

One young student, asked to serve Mr. and Mrs. Ducker, duly presented himself at the door of the Ducker home, which was answered by a man who stated that both parties were away, Mr. Ducker in New York and his wife in Chicago. Not satisfied, our student returned shortly, when the door was answered by a woman who was not Mrs. Ducker, she was sorry but Mrs. Ducker was away in Buffalo and her husband in New York, and she did not know when to expect their return. Now, our young man was no fool, but it is one thing to surmise and another to take an oath of your personal knowledge, and so he went away to enquire of the neighbors if his parties were at home and what they looked like. Luckily enough, Mrs. Ducker stepped out to spy, and the neighbor said, "Why, there is Mrs. Ducker now, she is not away, at any rate." Back ran our student, but Mrs. Ducker had the advantage of distance on him and no one was pleased to respond to his knock at the door. He placed one copy of the writ in the letter box and fortunately for his purpose, Mrs. Ducker ran out with it in her hand and gave chase down the street in an effort to give it back to him. He had made a personal service on the woman. A sheriff's officer went out to serve the man and had the pleasure of witnessing the funeral of the Ducker dog over the fence, but could not enter nor entice his man near enough to take service. That was a case where an order for substituted service was made.

Scandal Hint Does Trick

Several efforts had been made through another office to serve a Mr. Cohen, but that man apparently never could be found at home, although his wife always was and was anxious to take any message for her husband, too. One student accidentally stumbled on the information that Mr. Cohen had had some little love adventures in his day, and he accordingly decided to adopt an air suggestive of intrigue and secrecy. When he called, Mr. Cohen again was not in but Mrs. Cohen would gladly take any message for her husband as he had no secrets from her. The student responded that he could not tell her in this instance as he did not think the lady would want him to do so. Suspicion and jealousy overcame the good woman's caution and she loudly called upon her husband to come out and explain what was between him and that woman from Hamilton again. Mr. Cohen mysteriously and hurriedly appeared, volubly protesting his innocence, whereupon he was duly and personally served, much to the chagrin of himself and his good wife.

It is all in the day's work. The writs must be served and so defendants are handed their true copies as they step in and out of street cars and elevators, as they file past the pay wicket, at the banquet hall and in the hotel foyer, but never on the way to church, for service is not good on a Sunday. The young student who travels in what is sometimes termed "Society" is often called upon to serve a writ for alimony on a companion of many a night's revel, or a divorce notice on his partner of the dance of the week before. Perhaps it is more embarrassing for one possessed of the finer feelings to be called upon to serve a Notice of an application to have a person declared incapable of arranging his or her own affairs by reason of mental infirmity, upon that aged, enfeebled and uncomprehending old body. A lawyer of mine often brings to mind the hopeless look on the face of an Irishman he once served with a writ issued in the old country where he had failed in business, for an amount far exceeding all his worldly possessions. He had come out here and taken employment as a day laborer as his only hope of a livelihood, and out of his savings had erected a little shack up in Earls-

(Continued on page 11)

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FOLKS and Finance

WHEN John Westren, vice-president and general manager of the Dunlop Tire and Rubber Goods Company, presents long service prizes to employees of his company, he can do so with the knowledge of what long service with one company means to a man. Mr. Westren is himself the Dunlop employee with the longest record, having been with the company over 32 years.

Each year a "Dunlop night" entertainment is given by the firm and awards are given to the employees completing ten years' service with the company. The men get gold buttons and the women gold rings. On the last night 85 buttons were distributed.

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St. Maurice Power First Mortgage 6½'s, 1953	5.80
INDUSTRIAL, ETC.	
Acadia Sugar Refining 1st Mtge. 6's, 1946	6.35
Alberta Pacific Grain 1st Mtge. 6's, 1946	6.15
Alberta Pacific Grain 7% Preferred	7.95
Belgo-Canadian Paper First Mortgage 6's, 1943	5.72
Canada Steamship 1st & Gen. Mtge. 6's, 1941	6.20
Famous Players Can. 1st & Gen. Mtge. 6½'s, 1943	6.40
Fraser Companies 7% Preferred	7.11
International Paper Debenture 6's, 1941	6.18
London Realty 1st Mtge. 6½'s, 1941	6.65
Moirs Limited First Mortgage 6½'s, 1946	6.22
Northern Ontario Bldg. 1st Mortgage 6½'s, 1939	6.30
Price Brothers First Mortgage 6's, 1943	5.62
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Brazilian Common

I am asking you your advice about selling or holding Brazilian Common.

I do not feel that I want to go into the holding company. Do you think the Lowenstein group have nearly control of the stock or do you think that it will be necessary for them to make a special effort for the control later on?

Rumors of an additional dividend on Brazilian common make it probable that the stock will remain at a high price for some time to come.

There are reports that the Toronto and Montreal groups are in accord, in which event the Lowenstein interests may not be able to secure control. In any event, the change must be some months off, as the annual meeting does not take place till next summer. The market generally is somewhat bullish and Brazilian may be benefited thereby.

Mortgage Discount

We have been asked for an opinion on Mortgage Discount, Metropolitan Building, Toronto 2. We realize that many of these mortgage companies have found it difficult to do business profitably in the last few years, but it would appear that this company has always been able to pay their preferred dividend.

Mortgage Discount, Limited, Metropolitan Building, Toronto 2, appears to be one of the most successful of the second mortgage companies.

There is evidently a disposition to maintain an adequate reserve for lean years. The profits in the last year have not been entirely satisfactory, and prospects for next year might be better. Nevertheless, there is reason to hope that this company will be able to pay its preferred dividends.

City Dairy

In your review of the City Dairy, you state they are preparing for changes in the dairy business. Will you please advise what these are and also what you think of the following?

I own a little stock in a dairy company which is planning a reorganization of capital and have been asked to put some more money in. The plant does a retail and wholesale milk business, butter and ice cream. Three years ago it was bought for $100,000 a bankrupt concern. Since then it has been going ahead steadily. This year will show earnings of about $14,000 to $15,000 before depreciation is allowed or dividends at 7 per cent. paid on the preferred stock of $20,000. It is planned to increase the capitalization to $150,000 by issuing 50,000 preferred stock. What do you think of this? Will Dairy merger eventually come to a town of 10,000?

We do not know that any changes in the dairy business are immediately in prospect. The reference in this regard in the review of City Dairy merely concerned the general policy of the company to be prepared for possibilities.

In these days of mergers in all lines of business, it would be rash to predict that dairy mergers would not be forthcoming. Mergers might be considered feasible, especially in such lines as ice cream, and similar products.

With regard to the capitalization of the company to which you refer, we would hesitate to give an opinion without having an opportunity to study the balance sheet. The earnings of the company you mentioned appear to be fairly good, but we do not know whether adequate provision has been made for depreciation, and if reserves are being built up. Unless an expansion is planned, which would give greater earning power, possibly an increase in the capitalization would be unwise. This, however, is just a guess in view of the fact that we have not had a chance to study the figures.

Brooks Steam Motors

I have a unit of Brooks Steam Motors about half paid for. Would you advise me to let this lapse or would you complete payments?

We hesitate to advise letting any stock lapse, but, on the other hand, we are unable to reach any other conclusion than that completing payments on Brooks Steam Motors stock merely is throwing good money after bad. There is a very slim chance that Brooks Motors ever will pay dividends.

$2,000 to Invest

I wish to invest about $2,000 in stocks which have a future, such as International Nickel, or, say, Montreal Power. I carry $10,000 life insurance in the Imperial Life which I consider in the nature of a bond. Besides this I hold the following:

$500 Howard Smith bonds, 1941.
5 shares Canadian Bakeries, preferred.
5 shares Canada Bread "B," preferred.
5 shares Jamaica Public Service, preferred.
5 shares Kelvinator, preferred.
5 shares Kelvinator, common.
10 shares Page-Hersey, common.
100 shares Premier Gold.
5 shares Brantford Cordage, preferred.

I am what you would term a business man on a salary of about $225 per month. Married and have four young children. I own my own home, which is paid for and worth about $7,000. Age 45.

I now have a leaning towards common stocks, including mines.

Any suggestions which you will give me will be greatly appreciated.

The stocks which you hold are all of a good class of investment for a business man, that is, a man who is in a position to watch the fluctuations in the market and is prepared to take some chance. At the moment it would be advisable to watch with some care the affairs of the binder twine companies, in view of the fact that they are suffering severely from competition from Holland and Germany. However, the profits of Brantford Cordage Co. still are substantial, and it may reasonably be hoped that the future for the company is very good.

With regard to the investment of $2,000, both International Nickel and Montreal Power are first class. If you desire to diversify a little further, the preferred stock of Maple Leaf Milling Co. might be suggested, and that of the Canadian Salt Co. might be good for a long pull. In this regard we also recommend to your attention an article entitled, Stocks for Christmas Stockings which appeared in The Financial Post, issue of December 17.

Your position is better than average for a man of your income and responsibilities.

Nova Scotia Steel

Let me know, would you please, something of the position of the debenture holders of the Nova Scotia Steel and Coal Company.

The present market for the debenture shares of the Nova Scotia Steel and Coal Company is purely a nominal one, ranging between 28 and 31. We hear there is a possibility of the British Empire Steel Corporation meeting the interest arrears on this issue before the close of 1926. Besco has paid the interest charges on the first mortgage issue up to date. If the interest charges on the debenture stock are not met, it is probable that early in the New Year, the debenture stockholders will institute proceedings leading to the acquisition of the property.

The future may hold better things for the debenture stockholders, but at the present time, we would be unwise in indicating any such thing. Eventually, there will be a reorganization of Besco, in which the debenture stockholders of the Nova Scotia Steel and Coal Company will no doubt play a part, for this property would fare better by remaining in the corporation, rather than attempting to carry on by itself. This, we believe to be so, because the Dominion Iron and Steel, and the Dominion Coal Company are the two dominant companies in the British Empire Steel Corporation chain and the N.S. Steel and Coal would be wise, therefore, to retain this connection. Eventually, the debenture stockholders will probably exchange their holdings for other securities. In doing this, they will probably forego many of their present claims—but it may be worth while in order to remain in the group of the Nova Scotia steel and coal properties.

In the meantime, these industries, we understand, are experiencing much better business. The reorganization of the companies will probably require some time yet as there will be many negotiations between the various interests involved.

Standard Oil

I would like information about Standard Oil of New Jersey.

I have some of this stock, bought at 44 as an investment, and was considering some more at the present price, 37-38. What I would like to know is what has depressed this stock at the present time. Even at the time of the big break in New York last spring it did not go below about 40. Can you account for the present weakness when some of its subsidiaries are considerably higher than they have been and in the face of the prosperity of oil companies in general?

There seems to be no reason for worry in that the common of the Standard Oil Co. of New Jersey has dropped to 37-38. You appear to have bought at the peak price, or thereabout, but the return to you in the future may well warrant the figure paid. The fluctuations in the market price of this stock from week to week do not affect the intrinsic value. The company is extremely sound financially and is excellently and conservatively managed.

The Greenshields Review

What factors are most likely to affect security prices in 1927?

The Greenshields Review, now in the fifteenth year of publication, presents in the last issue a summary of conditions which is important to any investor. A copy will be sent on request.

Write to Dept. 4

Greenshields & Co
Members Montreal Stock Exchange
17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street

THEY ALSO SERVE

(Continued from page 10)

court, but his relentless creditor had sought him out across the Atlantic and it looked to him as though he would lose his all.

Paid Debt With Life

A soldier of the late war had determined to evade service of a writ. He did, for he was able to get away with his battalion in 1916 without the sheriff's man finding him, but he paid his debt with his life on the field of honor.

Recently an order has been taken out to revive an action against the personal representatives of a defendant who was sued in 1906, was not served until 1910 and who having disappeared in 1916 before trial of the action is now presumed to be dead.

If you have ever tried to approach the head of a great corporation even on business agreeable to him you will appreciate the difficulties which must have attended the efforts of the process server who wished to hand him a writ; he had to overcome the obstacles of the switch-board operator, the office boy and the head clerk, then the glass door and the great man's private secretary, all of which being specially provided for the protection of the corporation head from petty annoyance. Whether out of consideration for the process server or the corporation officer it is difficult to say, but anyway, the Rules of Practice have been altered so that any corporation can be served by leaving the writ with any officer, clerk or agent of the corporation.

The sheriff's man if he were not so discreet could tell you something about your fellow creatures which might surprise you. He could convince you that all the money that is being spent is not necessarily the spender's and that all the good things enjoyed are not always paid for. One day, standing at the sheriff's window, gazing at the crowd pouring into the theatre across the way, one of the sheriff's men laughingly pointed out a certain gentleman who with his lady had stepped out of a car obsequiously attended by a chauffeur. "There's our friend Duprat with a lady friend," said he. "It's a good thing your client is not here or he would have an apoplectic fit. That is where his money has gone. I bet by the time I come to execute his judgment Duprat will not have a cent. It is with such people as Duprat, esconced in luxurious rented apartments, that he encounters most difficulty in serving for they are seldom "at home" to such as he. The story has been told of a process server having called for the purpose of serving a writ on a certain family who were living beyond their means in an effort to keep up with their neighbors, the Joneses, happening to arrive just at the time the Jones family had started up the steps to pay a visit. Rather than risk a disclosure of their unwelcome visitor's business the embarrassed householder introduced him as a friend with the interesting denoument following of the process server handing another writ to his newest acquaintance for the name of Jones, as it happened, was the name of the defendant on one of those interesting documents.

My friend said to me, "I cannot understand when they know that I am after them why they do not take the writ, because I'll get them anyway." Such supreme confidence with such laudable object for they in much advertised phraseology, only "aim to serve," should, I think, reap its reward.

POST-Scripts

THE head of a great group of Canadian enterprises declares, with some truth that he alone was responsible for their success. Forbes Magazine evidently favors such emphasis upon the "ego" in business. It tells of J. Kindleberger, president of the Kalamazoo Vegetable Parchment Co., who in a business experience of 30 years, has come into close touch with big businesses employing hundreds and even thousands of men, and who recalls not a single instance where an unusually successful business has not been dominated by the personality of one individual.

He quotes a president and general manager of a large concern, who, when recently asked, "What is the secret of the success of your house?" replied, without hesitation, " I am."

Mr. Kindleberger defends this seeming excess of ego, saying that it is inevitably the "I am" man, the man who is conscious of his own strength and clear in his purpose, who puts the business through.

Mr. Kindleberger's contention would seem to be borne out by the careers of some of the world's greatest successes. Napoleon when he first rose to power was one of a triumvirate, but you have to search the archives to find the names of the other two.

Letters to the Editor

Liked Thomson's Article

Editor, The Financial Post:

Mr. Thomson's article on some aspects of Maritime problems is the fairest and best I've seen in a central or western Canadian paper, and this is the first letter of approbation I have addressed to an editor, on this or any other question. One point I would like to see amplified —Did the wealth made by the Maritimes in sea adventures and invested in banks, etc., contribute anything to the progress of the rest of Canada?—A. E. SCOTT, Montreal.

Used Much Cement

In the construction of the new Toronto warehouse of Canadian Rail and Harbor Terminals, Toronto, Canada Cement Company supplied 320,000 bags of Portland cement.

January Bond List
Now Ready

It will assist those with funds for investment. Copy will be gladly furnished upon request.

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Toronto Winnipeg London, Ont.
Montreal New York London, Eng.

News of Investment Markets

SEVEN PROVINCES HAVE MATURITIES TO MEET IN 1927

Dominion Government Has About $100,000 Falling Due

There will be substantial maturities of Canadian government fund issues in 1927. Seven provinces and the Dominion government have bonds to meet.

There will also be many municipal maturities, the larger cities particularly having serial issues maturing almost continuously.

The Dominion of Canada will have $64,000,000 of 5½ per cent. Victory bonds of the issue of 1917 to meet. In 1917, a ten and twenty year issue was made and of the ten year bonds that now mature $64,000,000 are outstanding.

The Dominion has two other issues maturing.

A record of the provincial and Dominion government bonds to be met next year is as follows:

April			
April 1	Manitoba	4½%	$3,000,000
April 22	Ontario notes	3½%	10,000,000
May			
May 1	Manitoba notes	4½%	3,000,000
May 15	Nova Scotia notes	4½%	3,500,000
May 26	Ontario notes	4%	10,000,000
June			
June 29	Brit. Columbia serial	4½%	210,000
July			
July 1	Alberta	5½%	5,500,000
July 1	New Brunswick	5%	38,500
July 1	Alberta	5½%	1,600,000
July 2	Ontario	5%	225,000
July 12	British Columbia	4½%	3,000,000
August			
Aug. 1	Saskatchewan	6%	3,000,000
September			
Sept. 15	Nova Scotia	4½%	4,000,000
October			
Oct. 1	Saskatchewan	5%	918,580
November			
Nov. 1	Dom. of Canada	5½%	29,068,400
Nov. 1	Dom. of Canada	4%	8,000,000
Nov. 15	Ontario	6%	5,000,000
December			
Dec. 1	Dom. of Canada	5½%	63,437,520
Dec. 1	Ontario	4½%	700,000

Bits About Bonds

Canadian Pacific and Canadian National Railways have various maturities to meet in 1927. C.P.R. meets $500,000 6 per cent. equipment trusts on April 1; $500,000 of 4½ per cent. equipment trusts in June; $500,000 of 6 per cent. equipment trusts on October 1 and $500,000 of 4½ per cent. equipment trusts on December 1.

Canadian National Railways must meet $750,000 of 5 per cent. equipment trusts on February 1; $20,000,000 of 4 per cent. notes on July 1; $2,500,000 of 4 per cent. notes on same date; $625,000 of 4½ per cent. equipment trusts on same date; $750,000 of 4½ per cent. equipment trusts on August 1. In addition, $730,000 of Bay of Quinte Railway (C.N.R.) 5 per cent. bonds mature on January 2.

Canadians Now Own 70 Per Cent. of Their Government Securities

Canada Has Become Investing Nation Since 1913 When Four-Fifths of Financing Was Done in London; Total Now Four Billion

"At the threshold of the new year, it is interesting to look at the investment situation in the Dominion as a whole," reads a circular published by A. E. Ames & Co., "Such an examination reveals the fact that Canadians have become, in a short period of thirteen or fourteen years, a nation of investors. Through the accumulation of investment consisting of her government, municipal and corporation securities. there has been added to the Canadian fabric a stabilizing factor of the greatest importance.

"It is estimated that in 1913 the total of Canadian outstanding government and municipal securities amounted to about $801,000,000 of which over 80 per cent. was held in Great Britain, United States and elsewhere, while less than 20 per cent. of the outstanding Canadian investment securities was held by Canadians. During the war, Canadians were forced to rely upon their own resources and how they met their new responsibilities and accepted these obligations is one of the most interesting stories in Canadian financial history.

Change Since 1913

"In direct contrast to the total holdings in 1913 and the distribution of these holdings, we may place the securities held at the close of 1926, which are estimated to be as follows:

Gross Funded Public Indebtedness of Governments and Municipalities of the Dominion, December 1, 1926

Held in	Canada	United States	Great Britain	Total
Dominion	$1,945,600,765	$225,931,000	$311,668,136	$2,483,199,902
Provincial	388,500,000	279,267,674	100,000,000	767,767,674
Municipal	569,000,000	331,000,000	75,000,000	975,000,000
Totals	$2,903,100,765	$836,198,674	$486,668,136	$4,225,967,576

From the table, it will be observed that Canadians themselves now hold by far the greatest part of their own oustanding public obligations. The distribution by percentages being as follows:

Held in Canada	68.70%
Held in United States	19.79%
Held in Great Britain	11.51%
	100.00%

This distribution may be roughly approximated as follows: Held in Canada, 70 per cent; held in United States, 20 per cent; held in Great Britain, 10 per cent.

Revenues From Interest

The interest revenue from these securities now amounts to something over $228,000,000 and is divided practically as follows:

Interest on Dominion bonds	$134,789,000
Interest on Provincial bonds	40,267,000
Interest on Municipal bonds	53,625,000
	$228,681,000

Of this total, approximately $157,500,000 is payable to Canadians, $45,500,000 is payable to residents of the United States and $25,500 000 is payable to residents of Great Britain.

"It will be noted that the holdings above mentioned do not include the outstanding bonds of capital issues of our great industrial, public utility, financial, railroad or other corporations which in the aggregate amount to several billions of dollars. It is estimated that these, in the main, are held by Canadians in an even larger proportion as an important proportion are naturally of a purely Canadian character and are, therefore, unknown elsewhere. It is estimated that the total dividend and interest distributed annually amounts to not less than $480,000,000 of which $180,000,000 is distributed as dividends and $300,000,000 is distributed in interest payments.

"Probably one of the chief characteristics of the last ten or fifteen years is the widening interest which has been developed in investments and the wide distribution which has taken place. The number of regular investors of the country has grown from a few thousand to hundreds of thousands. Investments are no longer concentrated in the hands of a few, having more or less expert knowledge of investment affairs and are widely held in amounts which range from a few dollars upwards.

The annual report of the Saskatoon Industrial Exhibition shows an operating profit for 1926 of $21,818. Part of this amount has been expended in permanent improvements.

TORONTO PROPERTY SOLD FOR BREWERY

Government Control Results in Intention to Create New 400-Barrel Plant

W. A. Mackenzie & Co. are arranging a selling syndicate for an issue of stock for Toronto Brewing & Malting Co. A number of business men have acquired a large property at Dundas and Simcoe Streets, Toronto. This property already has on it valuable and partially equipped buildings and contains a modern malting plant.

It is proposed to rehabilitate the buildings into a brewery with a capacity of 400 barrels per day. With the advent of government sale of malt drinks, and the announced policy of the government to encourage consumption of beer, as opposed to spirits, the development of this industry is of keen interest at present in financial circles.

The offering of the W. A. Mackenzie and Company syndicate is of 75,000 shares of Toronto Brewing and Malting Company at $12 per share. Offering is part of an issue of 120,000 shares, of which 45,000 shares have already been used in part payment for equipment. Price is $12 per share.

On completion of financing company will have assets appraised at $1,450,000, including tangibles of $1,000,000, licenses $250,000 and working capital, $200,000.

Earnings, it is estimated, will be $300,000 net, or over $2.50 per share per annum.

President of the new company is Duncan MacLaren, lumberman.

Canada Got 26 P.C. of U.S. Foreign Loans in 1926

Canada got 26 per cent. of the $1,906,705,101 loaned abroad by the United States in 1926, according to a compilation by Dr. Max Winkler, vice-president of Moody's Investors Service. This includes not only new securities offered for public subscription but also includes issues which have been underwritten in this market and placed privately with American investors, direct American purchases of foreign property not involving the public offering of securities, the acquisition of foreign securities outstanding and the purchase of foreign internal issues, both stocks and bonds.

Total of investments and credits for the year was $2,051,645,402, of which $144,940,301 was for refunding, giving net amount of foreign financing $1,906,705,101.

"It would seem that the American dollar is becoming the mainstay of world finance, both public and private," said Dr. Winkler. "Our total investments abroad aggregate at the end of 1926 the impressive total of more than $13,000,000,000, clearly reflecting the steady expansion of American finance and industry into every section of the civilized world. Our foreign investments at the end of 1926 are distributed as follows:

	1926 $	1925 $	1913 $
Canada	3,515,000,000*	3,027,000,000	750,000,000
Europe	3,837,600,000	3,025,000,000	350,000,000
Latin America	4,814,000,000	4,306,000,000	1,300,000,000
Miscellaneous	1,086,000,000	998,000,000	225,000,000
	13,252,600,000	11,356,000,000	2,625,000,000

*Compare with The Financial Post's calculations elsewhere in this issue.

BANK OF TORONTO BUSINESS GROWS; PROFITS INCREASE

Current Loans and Savings Show Advances in Year

Tendencies that have indicated themselves in recent monthly bank statements and in the annual reports of banks, that have already been issued, are apparent in the annual report of the Bank of Toronto. The report now issued covers the year to November 30 last during which period the bank has experienced a good degree of expansion in its activities and profits. The document again reflects the fact that the banks of Canada are now getting definitely into a period of pronounced activity, attributable to the generally improved turn of business and the enlarged demands upon the banks for commercial credit.

Bank of Toronto shows profits of $1,108 692, a moderate rise from the 1925 level enabling it to bring profit and loss surplus up from $322,079 to $480,771.

The comparative profit and loss statement follows:

Profit and Loss

	1926 $	1925 $	1924 $
Net profits	1,108,692	1,012,964	968,204
Dividends	600,000	600,000	600,000
Tax on circ.	50,000	50,000	50,000
Tax reserve	100,000	80,000	50,000
Pension	50,000	50,000	50,000
Premises	150,000	150,000	150,000
	158,692	82,964	68,204
Prev. balance	322,079	1,239,115	1,170,911
	480,771	1,322,079	1,239,115
Trans. to rest	....	1,000,000	....
Balance	480,771	322,079	1,239,115

The profits shown above for the year 1926, exceeded any previous total in the history of the bank.

Study of the balance sheets show some moderate but significant changes in the distribution of assets and liabilities.

Securities holdings are lower although assets show an increase of some $4,700,000. Current loans are largely increased, having grown $8,000,000 from $47,000,000 to $55,000.

Savings deposits have increased by $5 500,000 providing the bank with the major portion of the new funds loaned out. No change was made in reserve which was increased a year ago by the transfer of $1,100,000 from surplus to rest and now stands at $7,000,000 or 140 per cent. of capital.

Analysis of the statement is as follows:

	1926 $	1925 $	Change $
Immediately Available Liquid Assets			
Specie	423,301	438,931—	15,630
Dom. notes	6,227,540	6,660,730—	433,190
Note cir. dep.	256,775	249,268+	7,507
Notes, bk.	603,845	592,850+	10,995
Bk. bal. ab'd	2,163,069	3,364,714—	1,201,645
Gov. secs.	19,599,837	19,103,644+	496,193
Cheques	6,745,853	8,107,338—	1,361,485
Gold res.	4,055,867	3,055,867+	1,000,000
For. curr.	84,957	77,668+	7,289
	40,161,044	41,651,010—	1,489,966
% total assets	34.69	37.53—	2.84
% tot. liab. to pub.	38.94	42.30—	3.36
Other Assets			
Pub. secs.	3,995,362	7,263,852—	3,268,490
Other secs.	3,715,419	3,608,908+	106,511
Can. call l'ns	7,168,674	6,601,261+	567,413
Current	55,218,500	47,058,744+	8,159,756
Lets. of cred.	1,800,260	1,159,929+	640,331
Mortgages	216,630	64,912+	151,718
Premises	3,324,595	3,321,748+	2,847
Non. cur. l'ns	154,371	236,523—	82,152
	75,593,811	69,315,877+	6,277,934
Tot. as's	115,754,855	110,966,887+	4,787,968
Liabilities to Public			
Circulation	8,295,608	8,405,841—	110,233
Dem. dep.	16,397,284	18,087,993—	1,690,709
Savings	72,041,970	66,470,771+	5,571,199
Due banks	566,089	1,649,092—	1,083,003
Due elsewhere	1,345,189	1,399,497—	54,308
Advances	1,500,000	.........+	1,500,000
Bills pay.	890,100	1,136,813—	246,713
Lets. of cred.	1,800,260	1,159,929+	640,331
Other liab.	286,168	183,438+	102,730
	103,122,668	98,493,374+	4,629,294
To Shareholders			
Capital	5,000,000	5,000,000	......
Reserve	7,000,000	7,000,000	......
Dividends	151,415	151,433—	18
Balance	480,772	322,079+	158,693
	12,632,187	12,473,512+	158,675
Total liab.	115,754,855	110,966,887+	4,787,968

SECURITIES LYING IN STATES TAXABLE

Bonds Were Subject to Ontario Succession Duties, Court Holds

Canadian bonds lying in the United States are subject to succession duties in Ontario and not tax free, as mentioned by several newspapers in referring to the decision handed down by the first divisional court in the case of the Attorney-General of Ontario vs. Baby.

The question in case is the right to tax the succession of certain Canadian war bonds and shares in and debentures of Canadian companies, the property of a British subject domiciled in Ontario and bequeathed by his will to his wife, likewise so domiciled. At his death they were lying in a safety deposit vault in Detroit.

The argument put forward was that at the death of the testator, the ownership of the bonds, shares, etc., was merely transferred to the wife and therefore did not come under the succession duty act of the Province of Ontario. A similar case was heard in Quebec Province and the judgment handed down was to the effect that it was within the rights of the province to tax on "transmission," as well as "succession." The justice of the first divisional court of Ontario agreed with this and in his decision said, in part: "In my opinion there is nothing in the present legislation for the argument that the personal representative is liable for this tax and must seek recoupment. The statute is so drawn as to make the successor directly liable for the tax and not the personal representative."

It will be seen from the foregoing that the decision in this case does not alter or in any way change the tenor of the present succession duty act of Ontario.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft. Erie Bdge 7s '55	107	108
Do. 8s '45	106	107½
Buff Gen Elec 1st 5s '39	103	...
Do. ref. 5s '39	103	...
Bfo N. & E Pow 5s '30	99¾	[illegible]
Lockport L H & P 5½s, '54	102	104
Niag Falls Pow pref 6s '32	105	106
Do. 1st & con 6s 1950	105	106
STOCKS		
Buff Niag & E Pow	28	29
Do. pf.	25½	[illegible]
Niagara Falls Pow. pf.	28¼	29
Niag. Lock & Ont. pf.	112½	114

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THE NATIONAL CITY COMPANY — A FINANCIAL BACKGROUND OF OVER A CENTURY — CANADA

The National City Company
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Head Office — St. James & St. Peter Streets — Montreal

10 King Street East
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204 Blackburn Building
OTTAWA

71 St. Peter Street
QUEBEC

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If Governments Stick to Their Last, Business Will Solve Problems

Small Respect Paid to Consuming Public by Bureaucratic Authorities Who Would Nationalize Everything to Create Prosperity

By HARTLEY WITHERS,
Copyright, The Financial Post, 1926.

In an age that is generally described as democratic it is curious to notice the small respect that is paid to the interests of the great consuming public. On all sides we hear of schemes for making industry more profitable for those concerned—for giving capital a fair return on the use of its money and a fair reward for the risk that it runs of getting no return at all, for giving the wage earner a better chance of life in return for the hard and uninteresting labor, so essential to the existence of the community, that he produces under conditions which in many countries are a blot on our so-called civilization. All these endeavors are excellent and the attention which they are receiving is one of the hopeful signs of a year whose industrial history has been chequered. But though those who discuss them are generally careful to say that the interest of the consumer will, as a matter of course, be carefully guarded, this interest too often comes as an afterthought, instead of being recognized as paramount.

Dawn of Beneficent Revolution

It is true that in America, where the active and successful co-operation of labor and capital have brought mass production to a degree of proficiency which is unknown elsewhere, it is beginning to be perceived that mass production, if it is to succeed in its object must have mass production to work for, and that mass distribution, scientifically organized, is consequently its necessary complement. Here we have the first rays of light which may mean the dawn of a really beneficent revolution. But in most other countries, a "world afraid of production" as an American economist has well described it, still insists on taking hold of the wrong end of the economic stick and forgetting that the object of industry is to provide the community with a growing flood of goods and services, at prices which the consuming public will be able to pay for them. In the meantime the consumer hears that coal, for example was being produced in England at a price which left nothing for the mine owner and not enough for the miner and yet knows that his own coal bill had risen, since pre-war days out of all proportion to the general rise in the cost of living; the prices that he pays for meat are likewise a cause of disgusted bewilderment, especially when he is told that fine British beasts have lately been sold at less than pre-war prices involving farmers and graziers in disastrous losses. Something is certainly amiss with the machinery of economic life when such puzzles as these bewilder the consuming public which is, after all, the body on whose prosperity industry and all other enterprises must ultimately depend for the absorption of their products. Government inquiries on the subject have been as plentiful as blackberries, and generally quite unproductive in practical results. And so the consumer is left dissatisfied and discontented, and an easy prey to enthusiasts who tell him that the only way to find a remedy is to nationalise the means of production and distribution or to tinker with the monetary machine, so that any consumer who wants to buy shall somehow be provided with the necessary cash.

Very few sensible people really believe in quack remedies of this kind. We saw so much of the beauties of nationalization during and after the war that many earnest Socialists are now careful to try to defend their schemes against bureaucratic control, though how nationalization could be carried out without involving bureaucratic control is a puzzle that would have defeated the Sphinx; and profuse creations of money, for the easing of a difficult situation, are another device the effects of which have so clearly shown that only those with exceptionally short memories can seriously desire to restore their operation. Nevertheless, when people are dissatisfied and discontented to a sufficient degree of bitterness, the teachings of experience—even of quite recent experience — are very easily forgotten, and there can be no doubt that an improvement in the lot of the average consumer would be a very important safeguard against the sour temper which makes people inclined to support fancy experiments in a field in which they are most dangerous.

This problem of the cost of living and its effect on the mind of the consumer is much easier to state than to solve, which is doubtless the reason why it is generally shirked. And so we go round in a vicious circle, with high cost of living reacting on the cost of production and vice versa.

European governments, when the high cost of living makes underpaid officials restive, are apt to try to fight it by means of restrictions of exports and usually, in the long run, make matters worse by these endeavors. In fact one of the omens in the European sky that seems to be in favor of the consumer is the stirring of feeling against official restrictions on trade between nations. The business man's manifesto against trade barriers has not been without effect and has certainly done something to produce a favorable etmosphere for the economic conference that is to meet in May under the auspices of the League of Nations. If the governments of the world would stick to their own business (which they do quite badly enough) of providing us with peace and security at home and abroad, and leave industry and trade to do theirs without being hampered at every turn by red tape, perhaps the consumer might begin to see daylight.

Hartley Withers to Write for Post

The Financial Post has arranged for a monthly letter from England from Hartley Withers, noted economist and writer on financial subjects.

Hartley Withers is known all over the world as one of Britain's greatest experts on financial and commercial matters. His purely economic opinion is considered highly authoritative and is sought on the most important economic questions.

Born in 1867 and educated at Oxford, Mr. Withers was assistant master at Clifton College at the age of 23. From 1905-10 he was city editor of "The Times" and from 1910-11 he held the position of city editor of "The Morning Post." During the second year of the Great War he was Director of Financial Enquiries at the British Treasury and in 1916 he became editor of "The Economist" from which position he resigned in 1921 and for the next two years was editor of the financial supplement of "The Saturday Review."

Hartley Withers is the author of many books on money and stocks, which are regarded as classics throughout the civilized world. Included among his publications are "The Meaning of Money"; "Stocks and Shares;" "International Finance" and "Bankers and Credit."

Hartley Withers will take for his theme each month the most vital subject on the international financial or commercial horizon. The articles will be entirely free from political opinion and merely deal, in Mr. Withers' usual brilliant and penetrating style, with the economic aspect of any question.

Copeland Milling Profits Lower Than Previous Year

Net earnings of Copeland Milling Co., Midland, are shown to be $31,740 in the report for the year ended August 31, which has just been published. This net compares with a loss of approximately $40,000 the previous year. From the net earnings was appropriated $15,586 for depreciation and $13,300 for other purposes, leaving $3,040 balance, which has been transferred to impairment account.

Total assets are given at $1,556,815, of which $1,300,000 consists of land, buildings, equipment and trade marks. The company owes its bankers $85,000 and has a deferred liability of $158,267, representing a loan. The capital stock consists of $633,100 preferred and $800,100 common.

While no dividends are being paid, it is said that the prospects have improved materially in the last few months. The capacity of the plant is 1,250 barrels per day and it is being operated to capacity. About 60 per cent. of the business is for export.

Tenders and By-laws

Jan. 10, City of Saint Lambert, P.Q.—$419,000, 5 per cent. serial or term bonds. J. R. Beatty, Sec.-Treas.

Jan. 4, Town of East Angus, P.Q.—$125,000, 5½ per cent. serial debentures. J. A. Girard, Sec.-Treas.

This Week's Bond Sales

Halifax Sells Bonds

An issue of $11,320, City of Halifax, 5 per cent., 30-year bonds was sold to Johnston & Ward at 100.52, which is equal to a cost basis of 4.97 per cent. Alternative bids were asked for 4½ and 5 per cent. bonds.

The bids were:

	5%	4½%
Johnston & Ward	100.52	92.67
J. C. Mackintosh & Co.	99.13	91.33
Royal Securities Corp.	99.16	.....
Eastern Securities Corp.	99.83	92.83
W. F. Mahon & Co.	98.78	92.09

CITY OF WINDSOR

The bid of the Dominion Securities Corp., for Windsor debentures in the amount of $1,262,156 was accepted by the City Council. This firm's price was $1,254,053. Other bidders were: Wood, Gundy, $1,252,185; Ames & Co., $1,251,932; Canadian Bank of Commerce, $1,251,049; Bell and Gouinlock $1,248,398; Cochrane, Hay & Co., $1,245,003. The block was divided as follows: Public school, 30 years, $375,000; Hydro extension 20 years, $300,000; Provincial highways, suburban area, 10 years, $97,288; county jail, 20 years, $190,547; local improvements, 20 years, $35,764; local improvements, 20 years, $15,770; local impovements, 20 years, $247,845. The debentures bear interest at the rate of 5 per cent. City officials informed the Council the bids were the best received for Windsor debentures in ten years.

UNLISTED SECURITIES

	Bid	Asked
Alberta Pac. Grain, com.	18	20
Do., pref.	84½	87
Brooks Motor 1 pref. & 1 com.	6	7
Do., 1 pref. & 2 com.	8	9½
Can. Machinery, com.	4	7
Can. Westinghouse, com.	175	...
Farmers Dairy, com.	62	..
Dunlop Tire, pref.	84	90
Chase, A. W., com.	5	12
Do., pref.	..	80
Fanny Farmer, com.	27	29
Federal Alcohol & Dist.	7	8½
Goodyear Tire, 6% pref.	93	96
Gunns, Ltd., pref.	27	32
King Edward Hotel, Deb. A.	71	75
King Edward Hotel, Deb. B.	61	64
Loew's Buffalo, pref.	55	60
Mount Royal Hotel, com.	6½	8
Nat. Grocers, 1st pfd.	97	100
Nat. Grocers, com.	2	7
Continental Life, 20% paid	42	46
Crown Life	128	..
Empire Life	25	30
Excelsior Life 29% Paid	62	.
Great West Life	400	450
Monarch Life 10% Paid	32	35
Mortgage Discount, pref.	6½	7½
Ontario Equitable	21	25
Re-Insurance	21	25
Security Life 40% Paid	28	31
Sun Life, 75% paid	560	..
Toronto Finance, pref.	3	4
Willard's pref.	67	71
Canada Life	600	..
Capital Life 25% paid	21	24
Mount Royal, pref.	59	62

Unlisted Bonds

Abitibi P. & P. 6s 1940	104	105
Algoma Steel 5s 1962	28½	30
Anticosti Corp. 6½s 1941	102	103
Belgo Can. Paper 6s 1943	102⅛	103
Algoma Steel 5s 1962	27½	28¾
Brandram Henderson 6s 1939	80	86
Burns, P. Co. 6½s 1943	102¾	103¾
Calgary Brewery 5s 1942	86½	88
Calgary Power 5s 1940	89¼	90½
Canada Biscuit 6½s 1946	100	100⅝
Canada Lt. & Pr. 5s 1949	89¾	91½
Can. Car & Fdry 6s 1939	103¼	105
Can. Nor. Power 6½s 1941	100¼	101½
Brompton P. & P. 6s 1946	98	100
Can. Steamships 5s 1943	97	97⅝
Can. Steamships 6s 1941	96	97
Can. Salt 6s 1946	101¼	103
Can. Steel Fndry 6s 1936	103¼	105
Cedar Rapids 5s 1953	99½	100½
Davies, Wm. 6s 1942	92¾	94
Dominion Iron 5s 1939	29	32
Dom. Power & Tr. 5s 1932	96¼	97¼
Dominion Textile 6s 1949	106½	108
Duke-Price Pr. 6s 1966	105	105⅝
East Kootenay Pr. 7s 1942	104	105½
Elev. Development 5s 1933	99¾	100⅝
Fraser Co. 6s 1950	97	99
Gatineau Power 5s 1956	95	95½
Howard Smith P. & P. 7s 1941	102¾	103½
International Paper 6s 1955	99¼	100½
Jamaica Pub. Serv. 6½ 1943	102¼	103¼
Kaministiquia Pr. 5½s 1950	99¾	101
King Edward Hotel 7s 1944	93	95½
Lake Superior P. & P. 6s 1941	105½	107½
Laurentian Pr. 6s 1936	101½	102¾
Laurentide Pr. 5½s 1946	101½	102½
Maple Leaf Mfg. 6½s 1943	103¼	104½
Maritime Tel. & Tel. 6s 1941	103½	105
Manitoba Pr. 5½s 1951	97¼	99
Mattagami P. & P. 7s 1949	100	120
Mercury Mills 6½s 1943	101	102
Mont. L. H. & Pr. 5s 1951	99¼	100
Mont. Pub. Service 5s 1942	97¼	98¼
Nor. Can. Pr. 6s 1945	100¼	101
Nor. Ont. L. & P. 6s 1946	100½	101¼
Nor. West. Utilities 7s 1938	99	100½
Nova Scotia Steel 6% Debs.	28	31
Nova Scotia Tram. 5s 1946	89	90½
Nova Scotia Tram. 7s 1952	97	99
Ont. Pulp & Paper 6s 1931	108	109
Ottawa Gas 6s 1939	102¾	103½
Ottawa Hull Pr. 6s 1948	103	104½
Ottawa L. H. & Pr. 6s 1953	104	105½
Ottawa Mont. Pr. 6½s 1949	102¼	103½
Ottawa Riv. Pr. 6½s 1953	102¼	103½
Ottawa Trac. 5½s 1955	100	100½
Port Alfred P. & P. 6½s 1943	102	103½
Price Bros. 6s 1943	103	104
Prov. Lt. & Pr. 5s 1946	100½	101½
Page Hersey 6s 1946	101¼	102½
Quebec Pr. 6s 1953	106¼	107½
St. Lawrence Paper 6s 1946	97¼	98¼
St. Maurice Pr. 6½s 1953	108	109
St. Maurice Valley 6s 1945	99½	100½
Shawinigan W. & P. 6s 1950	104	106
Simpson, Robt. 5s 1952	94¼	96
Simpsons, Ltd., 6½s 1945	102	103½
Southern Can. Pr. 5s 1955	97¼	98¾
Spanish River P. & P. 6s 1931	108	109½
Spanish River P. & P. 8s 1941	106¼	108
Walmsley, Chas. 6s 1943	91	95
West Kootenay Pr. 6s 1943	103¼	104½
West Pr. of Can. 5s 1949	96¼	97½
Winnipeg Elec. 6s 1953	99	99⅝
Winnipeg Elec. 5s 1935	97	98½

BOND MOVEMENTS OF THE WEEK

Week Ending Dec. 28

Bonds—	Int. Rate	Due	Yield	Range, 1925 High	Range, 1925 Low	Range, 1926 High	Range, 1926 Low	Latest Price Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos, gen. mtge.	6	1956	6.90	.....	...	88¾	81¾	88½	88	88⅝	88¼
Do., 1st mtge.	6	1941	6.03	.....	...	99¾	96¼	100¼	99¼	99¾	...
Can. Car	6	1939	5.54	103	101	104⅜	100	...	103¼	104⅜	...
Can. Canners	6	1950	6.24	96½	90	100	94	97	96½	97	96¾
Can. Cement	6	1929	5.45	103	100	102¼	100½	101½	101¼	101½	...
Montreal Tram, "A"	5	1955	5.37	98	92⅛	95	93	94⅝	94¼	94½	94¼
N. S. Steel	5	1959	9.15	73½	73½	58	56	...	51	57	...
War Loan	5	1931	4.75	102.65	101.80	102.40	100.35	101.65	101.30	101.50	.....
Do.	5	1937	4.64	104.95	103.80	104.65	102.75	103.50	103.15	103.00	.....
Victory Loan	5½	1927	4.55	103.15	101.05	101.75	100.00	101.05	100.80	100.85	100.55
Do.	5½	1933	4.80	107.00	105.10	106.80	103.65	104.20	104.10	104.30	104.00
Do.	5½	1934	4.98	104.80	103.25	104.10	102.15	103.25	103.20	103.30	103.10
Do.	5½	1937	4.62	110.00	108.05	109.30	106.90	107.70	107.35	107.50	107.20
Do., Renewal	5½	1927	4.96	102.65	100 90	101.75	100.00	100.80	100.50	100.65	100.40
Do.	5½	1932	5.03	104.20	102.10	103.40	102.00	102.85	102.55	102.45	102.40
Do., Refund	5	1928	5.00	101.40	100.10	101.30	99.00	100.55	100.20	100.00	.....
Do.	4½	1940	4.84	97.30	96.00	96.70	95.60	97.00	96.65	96.70	96.40
Do.	5	1943	4.85	102.95	101.20	102.60	101.15	102.85	102.50	102.80	102.40
Do.	4½	1944	4.80	97.75	94.95	97.15	95.75	96.90	96.70	96.90	96.80
Do.	4½	1946	4.75	.....	......	96.80	95.65	96.90	96.75	96.90	96.35

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Municipal

Place	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Windsor	Dec.	Dominion Securities Corp.	5%	10 to 30-yr.	$1,262,156	......	....
Halifax	Dec.	Johnston & Ward	5%	30-yr.	11,350	100.52	4.97
Westminster Twp.	Dec.	Locally	6%	10-ins.	3,326	......	....

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Republic of Costa Rica	Dec.	Royal Securities and U.S. Syndicate	7%	1951	$8,000,000	95½	7.40
Avalon Telephone Co.	Dec.	Royal Securities Corp.	6%	1946	400,000	100	6%

THE NATION'S BUSINESS

(Continued from page 1)

ings in the past and the penalty has been paid by all.

* * *

SENATOR BUCHANAN speaks of lack of enterprise on the part of the Canadian canning industry. We had thought the canners had made very satisfactory progress, considering their handicaps and the occasional shortcomings of a few of them who did not realize that high quality and good service were essentials of success. The Canadian climate gives us better flavored fruits and vegetables than are grown anywhere across the line and men like the late Robert Innes, who laid the foundation of the present combination of Ontario canners, made a world-wide reputation for the quality of their goods. Even in corn, an American specialty, no American ever surpassed Mr. Innes's Lynn Valley brand. Only the other day, the president of a great canning corporation was complaining to The Post of the advantages given to American canners in this market by the Dominion government which was stunting the growth of Canadian production in one important line.

* * *

IN THE general election of 1921 the basis of Hon. Mr. King's campaign appeal for votes was the tremendous national waste, resulting in excessive taxation of industry, workers and farmers. He promised relief. Instead he added to taxation and said he was unable to give relief because of his limited support in the House. He has now an opportunity to make good. His friends say he will and we hope their guess is right. So far there have been no indications that he has the capacity and courage to do so, although there are some strong men about him in whom the country has confidence. The next two or three months will tell.

Mr Buchanan has a good record of public service and in business and he can be a very important factor in bringing about changed conditions, primarily by creating a better understanding in the West of the place of industry and in the work it is doing for Canada.

* * *

THE REV. F. J. MOORE, B.A., B.-D., director of the Student Christian Association of the University of Toronto, Hart House, Toronto, writes The Financial Post the following letter which we are very glad to publish:

The Editor,
The Financial Post.
Dear Sir:

My attention has been drawn to an article in The Financial Post of December 3rd, on the work of Mr. Scott Nearing, which alleges that Mr. Scott Nearing "now acts as a leader of the Student Christian Movement." Will you please allow me to state that this is utterly untrue. Mr. Scott Nearing has no connection whatever either with the Student Christian Movement of Canada or the Student Christian Association of the University of Toronto.

The article also conveys the impression that the Student Christian Association is receiving financial assistance from abroad and is being used as an agent in "propaganda to create discontent in our schools, churches and elsewhere."

I need not say that this is without the slightest foundation and could only have come from one who was entirely without knowledge of what the Student Christian Association is and what it is doing.

F. J. MOORE,
Director, Student Christian Association,
University of Toronto.

* * *

ANY assurance that the Students Christian Movement has disowned such a radical agitator as Scott Nearing is welcomed. Still the fact remains that Hart House, the students' meeting place, honored Nearing when he was in Toronto on more than one occasion. This year he has been welcomed in communistic circles all over Canada, and one paper published in Saskatoon likened him to Jesus Christ.

Even The Students Christian Movement at Toronto University has allowed itself to be associated with Red propagandists of the Nearing type before this. Three years ago Paul Blanchard came to Toronto on a mission from the League for Industrial Democracy. When The Financial Post stated that he addressed a meeting at Hart House Theatre under the auspices of the Student Christian Movement, there was protest from that body, even as now from Mr. Moore. The official representing the Student Christian Movement denied knowing anything about such a person having addressed the students in Hart House.

Later he admitted that such a man came in and asked for a room but they know nothing about him.

Later still he admitted that a member of the Student Christian Movement had presided at the meeting.

Finally it was admitted in Varsity, the students' paper, that the meeting did take place in Hart House under the auspices of the Student Christian Movement.

* * *

WHAT was Blanchard here for? He organized at that time a committee of members of the Students' Christian Association to carry on radical propaganda. Each student was given a booklet of instruction on how to go about his work.

This instruction book was a unique document. It told the students to organize quiet meetings in social rooms. One of the names suggested was the "Socialist Study Club." Action was recommended as well as discussion. Students were asked to act as watches at elections as there was a demand for "those who will serve radical parties." They were told to give concrete help in local strikes. "They ought to make it their business to know about any strike of considerable importance" and, of course, to act. There was plenty more of this, the type of influence that would render a boy less fit for a successful career in his life's work after graduation, whether it be in the professional business or elsewhere. This went on under the auspices of the Student Christians and yet was denied.

* * *

THE FINANCIAL POST draws attention to such influences at work at universities in Canada in order that conscientious professors and authorities shall not be misled by the seemingly innocent character of some movements under way, and in order that parents may be able to judge of the circumstances under which their boys and girls study and seek to correct situations they must deplore when they learn of them.

The Students Christian movement and the youth movement can be mighty forces for good. But they must be ever alert and watchful, for propagandist organizations of the most dangerous type are ever seeking quietly to influence such bodies to their own ends.

Railway Earnings

Canadian Pacific

Week end.	1926	1925	Change
Dec. 21	$3,851,000	$4,674,000	—$823,000

Canadian National

Week end.	1926	1925	Change
Dec. 21	$5,215,210	$5,490,258	—$275,048

Public Services

Public Service Companies are public necessities and grow as the country grows. That issues of such companies therefore possess a high degree of security has been amply demonstrated in the cases of the following:

Montreal Tramways 5% 1941
Montreal Tramways 5% 1955
Bell Telephone......5% 1955
Quebec Power......6% 1953
Quebec Ry..........5% 1939
St. Maurice Power 6½% 1953
Montreal Pub. Ser...5% 1942
Laurentide Power.5½% 1946
Duke-Price Power...6% 1966
Manitoba Power .5½% 1951
M. L. H. & P........5% 1951
Gatineau Power.....5% 1956
Gatineau Power.....6% 1941
Can. Nor. Power 6½% 1941
Winnipeg Electric...6% 1954

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The list of First Mortgage Bonds, given below, affords an opportunity for sound investment at exceedingly attractive rates of interest: —

Jones Bros. of Canada, Limited.. 6½% due 1946
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The intelligent farmer takes much of the uncertainty of farming today by diversifying his crops. He knows from experience that the successful farmer does not concentrate on any one crop.

The intelligent investor protects his income and safeguards his future in a similar manner through the diversification of his investment.

The selection of suitable investments requires time, knowledge and experience. Most individuals are not equipped to judge the relative merits of investments, and as a result often purchase poor ones.

The forty-three years' experience of this house, with a record of no loss of principal or interest on any investment during this period, has been concentrated on an issue of securities yielding 5½% that are as safe and sound as it is humanly possible to make them. They are safe, because the security back of them is diversified between only Government, Municipal and Provincial Bonds and First Mortgages—all trustee investments in themselves.

The booklet we have prepared, entitled "An Investment Trust," explains this unusual bond in detail. You owe it to yourself to send for a copy without delay.

The Investment Trust

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ROYAL BANK HAS RECORD PROFITS IN FISCAL YEAR

Shown at $4,516,239 as Compared With $4,081,628 in Preceding Year

From Our Own Correspondent

MONTREAL.—The profits of the Royal Bank of Canada for the year ended November 30 touched a new high for all time and showed an increase of some 12 per cent. as compared with the profits of the 1925 year.

The comparison of the profit and loss figures over the last three years follows:

	1926	1925	1924
	$	$	$
Profits	4,516,239	4,081,628	3,878,976
Deduct:			
Dividends	2,928,000	2,568,000	2,448,000
Bonus	488,000	488,000	408,000
Pension Fund	100,000	100,000	100,000
Premises	400,000	400,000	400,000
Tax Res.	440,000	420,000	465,000
Balance	160,239	105,628	57,976
Prev. Bal.	1,249,435	1,143,807	1,085,830
P. & L. Bal.	1,409,674	1,249,435	1,143,806

It will be seen from the foregoing that the bank has continued its satisfactory policy of writing off $400,000 annually from premises account and that after all deductions the amount transferred to profit and loss account has been increased to $160,239.

Liquid Position Maintained

As the bank has over 750 branches, covering every section of the Dominion, the increased earnings are of interest, not only to the shareholders, but to the public at large, as it is indicative of the more favorable business conditions prevailing throughout the Dominion.

At the close of 1925 the liquid assets amounted to 56 per cent. of the total liabilities to the public; at the close of the 1924 year to 50 per cent. The last balance sheet shows that the liquid position has been maintained, for with total assets amounting to $766,376,943, the liquid, or immediately available assets, amount to $367,280,083, equal to 54.3 per cent. of the bank's liabilities to the public. The cash and cash balances amount to 23.3 per cent. of the total public liabilities.

During the year the total interest-bearing deposits increased by some $8,400,000 and now total $451,689,830. The non-interest-bearing deposits bear further evidence of the increasing business activity, and during the year showed a decline of about $37,000,000.

Canadian Loans Increase

The bank's holdings of bonds showed some decline, but, on the other hand, current Canadian loans have increased $7,000,000, and now total $197,759,230, bearing further evidence to the business expansion.

Current loans outside the Dominion have decreased by some $5,000,000. Bank premises account is carried on the books at some $800,000 lower than at the close of the last financial year. During the year the total assets showed a decline of $22,000,000, due, no doubt, to the fact that at the end of the last fiscal year there were outstanding a number of special transactions, while at the present time it is understood there are no such transactions outstanding.

The Financial Post's analysis of the balance sheet follows:

Immediately Available Liquid Assets	1926	1925	Change
	$	$	$
Specie	21,604,505	21,897,151—	292,646
Dom. notes	43,001,580	53,167,683—	10,166,103
Note cir. dep.	1,245,000	1,440,000—	195,000
Notes, bk.	3,705,579	4,265,518—	559,939
Call loans abroad	71,997,884	38,691,332+	33,306,552
Bank bal.	....	316—	316
Do., ab'd.	26,779,991	27,921,971—	1,141,980
Gov. secs.	64,733,058	82,245,403—	17,512,345
Cheques	27,214,301	51,730,422—	24,516,121
Gold res.	8,400,000	9,400,000—	1,000,000
For. curr.	26,862,177	29,931,586—	3,069,409
	295,544,075	320,691,382—	25,147,307
% total as.	38.5	40.7—	2.2
% total liab. to public.	41.3	43.5—	2.2
Other Assets			
Pub. secs.	26,880,492	28,407,242—	1,526,750
Other secs.	16,380,953	16,630,772—	249,819
Call loans.	29,719,562	33,814,539—	4,094,977
Current	197,759,230	190,854,643+	6,904,587
Elsewhere	138,384,823	143,397,982—	5,013,159
Letters of credit	38,602,849	30,059,989+	8,542,860
Real estate	2,147,980	2,558,945—	410,965
Mortgages	1,387,555	955,177+	432,278
Premises	14,401,556	15,618,073—	1,216,517
Non. curr. loans	2,583,639	2,527,577+	56,062
Loans to comp.	2,047,372	2,048.901—	1,529
Other as.	536,857	913,556—	378,699
	470,832,868	467,787,396—	3,045,472
Total as.	766,376,943	788,478,778—	22,101,835
Liabilities to Public			
Circula.	39,171,263	41,496,574—	2,325,311
Dem. dep.	161,170,459	198,297,399—	37,126,940
Savings	451,689,830	443,380,137+	8,309,693
Due banks	1,390,945	1,673,149—	282,204
Due elsewh.	16,764,934	14,461,949+	2,302,985
Bills pay.	6,103,180	7,827,741—	1,724,561
Letters of credit	38,602,848	30,059,989+	8,542,859
Other liab.	40,666	.......+	40,666
	714,934,125	737,196,938—	22,262,813
To Shareholders			
Capital	24,400,000	24,400,000	....
Reserve	24,400,000	24,400,000	....
Dividends	1,233,143	1,232,405+	738
Balance	1,409,675	1,249,435+	160,240
	51,442,818	51,281,840+	160,978
Total liab.	766,376,943	788,478,778—	22,101,835

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"EARNING POWER" POLICY OF LONDON LIFE INTRODUCED

Demand For Lower Cost Policies Met By New Policy Offered

Sensing the demand for lower cost life insurance, there is now a definite move on the part of Canadian companies to adapt themselves to the pleas of the public. This growing desire for "lower cost" plans has made itself evident in many ways and has been the subject of considerable discussion within the past year or so. The Department of Insurance at Ottawa has been active for some time in this regard and in a statement made by the superintendent, J. D. Finlayson, the remark was made that, "The first object, and main objective of a life insurance company, should be to reduce the cost of protection to the people of this country, who are trying to protect their dependents in the event of their death." It was with this end in view that Mr. Finlayson addressed a series of suggestions to the Canadian companies, several months ago. The suggestions were concerned with the possibility of lowering actuarial revenue requirements so as to permit companies to quote lower rates on certain kinds of policies.

New "Earning Power" Series

The term policy, which is now being placed on the market with many different variations is a policy which aims to provide the maximum of protection at the lowest possible cost. This policy seems to be particularly suited to the needs of partners who wish to protect their partnership, and to young married men whose present income does not allow them to afford as much protection as they would like to have. A new policy of this sort has just been introduced by the London Life under the name of the Earning Power series. It can be purchased on a participating basis, with annual dividend term plans which make it adaptable to meet the particular needs of each specific case. The term plan which might be for fifteen or twenty years or might run to a definite age such as 60 or 65 years, means that the policy is not a permanent one, but simply lasts until the expiration of the term, as long as the annual premium payments are regularly paid. The expectation on the part of the company, is that in most cases the policies will be converted into permanent plans within ten years or so.

Suppose a young man of 28 with a wife and family, is receiving an income of about $2,400 a year. In spite of a real need, this young man finds himself unable to protect his family with the amount of insurance he feels they should have. An ordinary life policy for $20,000 would cost him probably about $460 a year. A term policy enables him to get the same protection ($20,000) for not much more than half the cost of an ordinary life policy. Such a policy would be taken purely for protection and could be exchanged later on for a more permanent policy.

The point, therefore, is made, that the insistent demand among business men for this type of protection must be met to an increasing extent by the life companies of Canada. To use Superintendent Finlayson's words—"the main objective should be to reduce the cost of protection."

For Protection of Partnerships

Another use which business men can make of this type of policy, is the mutual protection of the members of a partnership. Suppose three men in a partnership require at least $30,000 to provide against the loss by death of any member of the firm. On a regular life basis, $10,000 on each life would cost at least $1,000 if the men were between 40 and 45 years of age. A 15-year term policy on the same basis would cost only 40 per cent. of this amount, a very material saving in premium deposits. Here again such a policy provides very necessary protection when it is most needed and affords the members of the partnership, the opportunity of conversion when the situation improves.

The demand for low cost insurance is a subject that has been discussed from many angles by The Financial Post, and the point has been made in these columns that the words "low cost" must be used with caution. In insurance, as in other things, one usually gets what one pays for, but the need for protection is so vital, both in the business and in the home, that no effort should be spared to afford this protection at as low a level of cost as possible.

Paris Likes Canadian Apples on Display

Canadian applies from Nova Scotia are now on sale in Paris, France, in the central market and in the shops. Shop window displays of the fruit are reported to have aroused quite a wave of admiration.

Great West Managers to Convene at Chicago

It is the custom of the Great-West Life Assurance Company, Winnipeg, Canada, to convene a managers' meeting at the beginning of each year in order to analyze the work of the past year and to discuss features of agency management designed to result in improved administration and better business for the coming year. At that meeting all agency managers and inspectors are present. During their absence, the head office of this company stages a field campaign in their honor, thus maintaining production figures for the month.

Subjects relating to the obtaining of new men, training of agents and efficient field practice generally, will be taken up, and ways and means of improvement, wherever possible, in the organization and internal management of branch offices will be thoroughly discussed.

The dates for this meeting are the 6th, 7th and 8th of January. The place is the Edgewater Beach Hotel, Chicago. Those attending are: Superintendents Butler, Montreal; Hayden, Winnipeg; Assistant Superintendent McLeod, Winnipeg; managers, Taylor, Toronto; J. O. Hyndman, Charlottetown, P. E. I.; Merritt, St. John, N. B.; Atkinson, Minneapolis; Hewat, Halifax, N. S.; Coleman, Detroit; Milner, Chicago; M. N. Hatcher, Fargo; McQueen, Calgary, Alta; Wilson, Victoria, B. C.; Johnson, Vancouver, B. C.; assistant managers, DesRosiers, Montreal; Mullen, Toronto; Supervisor Hubbell, Toronto; Inspectors Charlton, Montreal; Daoust, Quebec; Lemay, Sherbrooke, P. Q.; Howell, Hamilton; Higgins, London; Robinson, Ottawa; McIntyre, Windsor; Ryan, Detroit; Duff, Flint, Mich.; Overend, Grand Rapids; Thompson, Lansing; Cathcart, Duluth; Schaefer, Faribault; Westhaver, St. Cloud; Latendresse, St. Paul; Stevens, Chicago; Bennyhoff, St. Louis; R. H. Wright, Brandon, Man.; Kennedy, Ft. William; J. H. Wright, Regina; Crawley, Saskatoon; Ballard, Calgary; White, Edmonton; state agents, J. S. Hatcher, Grand Forks; R. E. Hatcher, Fargo; Dunfee, Regina.

Head office will be represented by M. H. Bingeman, assistant secretary, and C. C. Ferguson, general manager of the company, who will outline the company's field policy for the year.

Vancouver Underwriters Elect Anderson President

The protection of life insurance from legislative enactments was the main topic of discussion at the annual meeting of the Vancouver Life Underwriters' Association, which was held recently. In view of the suggestion to levy further provincial succession taxes on life insurance, the association has appointed a standing committee to watch legislative progress in that direction. The membership of the association now stands at 119, which is a slight increase over last year. The following officers were elected for 1927:

Honorary president, R. George McCuish; president, D. McL. Anderson; vice-president, E. A. Davis; secretary, A. M. James; treasurer, Robert M. Millar.

Everybody Busy in N. B.

There is no unemployment reported from anywhere around Woodstock, N. B. The snow, having improved the hauling conditions, has provided a lot of work in the way of getting out pulpwood, cordwood, etc.

FIGHT B.C.'S PLAN TO INCREASE DEATH TAX ON INSURANCE

Insurance Men Oppose Proposal to Levy Further Taxes

Life insurance men are preparing to fight the suggested move of the Province of British Columbia to levy further succession taxes on life insurance. This form of taxation has been proposed to recoup the treasury for losses in revenue that are expected to materialize at the next session of the legislature. According to current rumors, the provincial government is proposing to raise the exemption on inherited estates and is proposing to tax certain inherited life insurance that is now tax-free. At present any estate up to $10,000 is free from succession duties and the move to increase the exemption to $20,000 is the result of considerable agitation to encourage the immigration of wealthy families into the province. Already the Vancouver Life Underwriters' Association have appointed a committee to combat any insurance legislation of this sort.

At present, life insurance that becomes part of a man's estate pays its tax the same as any other property, but insurance in the name of a preferred beneficiary goes free. Under the new plan this insurance left to the preferred beneficiary would go in with the balance of the estate, and if the whole amounted to more than $20,000, the excess would be taxed.

Life Insurance Form of Thrift

The point has been repeatedly made that life insurance is a form of thrift and that any change in the present situation shall be towards less, rather than more, taxation. At the present moment life insurance is taxed at least two and, probably, three times. In the first place the policyholder may pay income tax on his annual premiums, both to the Dominion government and to the municipality. In the second place the company in which he insures is probably paying another tax on these premiums to the provincial government. Thus, any increase in taxation would be further pyramiding of a tax which is already levying a considerable burden upon the policyholder's premiums.

Policies Now Paid Promptly

Another angle in the situation which will undoubtedly be stressed by insurance men is the fact that for years insurance has been sold on the argument that it is an investment. In addition to its investment possibilities, there has been the added attraction that it was, under the circumstances mentioned, free from succession duties. This has been a good selling point and one which the sellers of insurance in B. C. will not yield without a struggle.

Another point is the fact that insurance policies are always paid promptly upon the death of the policyholder. Life insurance is largely held by people who are supporting families or relatives, and the fact that settlements are made immediately at death, when the money is most needed, is a very worthwhile point from every standpoint. A taxation plan which would tie up insurance payments while the government straightened out its claims, would remove this very desirable feature of an insurance policy.

There are many interests to be considered in weighing this new proposal, and the representatives of insurance interests may be able to suggest some arrangement that will be satisfactory to the provincial authorities at Victoria.

Ship B. C. Coal South

Owing to abnormal conditions, more than 5,000 tons of British Columbia coal have been shipped to the River Plate, and further export business of the same description is pending.

INCOME TAX PROBLEMS

(Continued from page 2)

non-taxable as it is a company receiving dividends. Green Company then pays out to Smith and Jones the money received by way of dividend, which just liquidates its liability to Smith and Jones, who thus receiving the sale price of their shares receive capital, and are therefore free of tax. This is a simple evasion and the Act declares such dividend to Green Co. to be deemed to be received by Smith and Jones and they are taxable accordingly.

Distribution of Surplus

Number 7 arises by reason of a section which provides:

"On the winding up, discontinuance or re-organization of the business of any incorporated company the distribution in any form of the property of the company shall be deemed to be the payment of a dividend to the extent that the company has on hand undistributed income."

The word "property" is of very wide import and seems very effective to carry out the evident intention of this amendment.

As to number 8, apparently some doubt exists as to whether the foregoing was broad enough to impose liability in the case of a company continuing in busines yet capitalizing through stock re-adjustment its surplus, accordingly a section was enacted, which renders taxable the earned surplus when so capitalized.

To Stop Hoarding of Surplus

Number 9 arises by reason of power given the minister that where he suspects that a corporation, usually all the shares of which are closely held, is hoarding a surplus in excess of the requirements of the business, then he may give notice to the shareholders accordingly and they become subject to tax in respect thereof whether a dividend has been declared or not.

Numbers 10 and 11 are corporations of a distinct type, which type is distinguished by two main factors—the character of the shareholders in relation one to another and the nature of the income of the corporation. The problems that arise here are technical and of large number. Their general import is sufficiently indicated above but they are here only referred to inasmuch as the corporate income becomes taxable each year just as if it were actually declared by cash dividend. They will be further considered in subsequent articles.

Solomon v. Solomon (wherein one man companies were recognized) gave the start of what is to-day recognized as a highly technical and intricate means of carrying on business. Business developed, not as the law nor yet the constitution, from precedent to precedent, but by entirely newly initiated transactions to mention only one that has now passed to commonplace—no par value shares. There was no precedent for that. It was like companies at one time newly conceived and created by company legislation.

Many companies are changing preference shares to no par value thereby losing valuable rights and possibilities of redemption without a tax liability being incurred, yet it has its compensation in other directions. Such actions have a scope that requires careful consideration.

Such technicalities as appear from the legislation above referred to are simply indispensable. The day of simplicity is past in any form of tax legislation, although that is not to say that simplicity should not always be striven for. If a person be morally within the act though technically without, he is free. If he be brought by enactment within the net of taxation his next move is technical and he again becomes free. Witness the one man personal corporation of late.

The West Develops

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More than that of any other company.
Insurance in force in Canada, end of 1925. $633,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1925.. 2,215,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1925...... $ 8,540,178
Investments in Canada, at end of 1925....... $125,150,919
Invested in Canadian Government and Municipal Bonds.. $ 88,743,283

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Current Events in Banking World

MAN WHO STUDIES BANKING THEORIES GAINS SOMETHING

Jackson Dodds and D. W. Boles Speak to Winnipeg Bankers

Winipeg Bankers' Lecture Club has prepared for a busy season of work.

Among lectures arranged for this season, besides the first one, already given, are: "Grain Handling, Buying and Selling," by T. A. Crearar, president and general manager of the United Grain Growers; "Manitoba Legislation of the Past Year," by J. T. Haig, M.L.A.; "Natural Resources of Manitoba," by Prof. R. C. Wallace, University of Manitoba; "Preparation and Marketing of Livestock," by R. S. Hunter, manager of the Swift Canadian Company, Limited. One lecture on a purely banking subject will be given by a senior member of the profession.

At the first lecture, D. W. Bole spoke on "Money, Capital and Wealth."

Advises Study of Banking

In introducing the speaker of the evening, Jackson Dodds, assistant manager of the Bank of Montreal, chairman of the evening, said:

"These lectures form a valuable adjunct to the educational work being carried on by the Canadian Bankers' Association, and it is well worth the time of any officer to attend, no matter what his position in a bank may be. C. E. Neill, general manager of the Royal Bank of Canada, and the president of the Canadian Bankers' Association, has done a great deal of late to encourage the study of the theory and practice of banking. He has pointed out that success in examination does not mean success in the practical business of banking, but that no one can hope to succeed in these competitive days who does not devote a measure of time to preparation and study. It is his belief that there was never greater scope in the business of banking than there is at present for men who with resourcefulness and enthusiastic perseverance equip themselves to take the initiative and to shoulder large responsibilities with intelligence and direction.

Calls Theory Valuable

"There are still in our banks a few managers and higher officials who do not encourage members of their staffs to take advantage of the opportunities of gaining technical knowledge. These are the men who are heard to observe that an ounce of practice is worth a ton of theory—it is; but the object of lectures such as these is not to deprecate practice or efficiency in practice, but to add to practical efficiency a knowledge of the underlying theory. It is obvious that, everything else being equal, a man who has studied the theory and practice of banking is more likely to become an efficient executive officer than one who has not."

Mr. Bole then spoke, addressing himself particularly to the younger members, saying that his knowledge of economics was derived only from a life of trade.

"Money," he said, "is one of the most useful inventions of civilization. It is a medium of exchange enabling man to do away with the clumsy system of barter, and has grown from a time when the Greeks used oxen as we use coins, to the present time, when very little coinage is used in comparison with the business done. In spite of this, shells are still used in Africa and beaver skins in the Far North as currency."

Recalls Coin-clipping

Outlining the history of money, Mr. Bole spoke of the coin-clipping practices of Henry VIII, and others, and pointed out that such money automatically lost in value like short quarts of milk or any other debased unit. Coinage debased with alloy he compared with watered milk, which cannot deceive for very long and soon loses exchange value.

"Government credit is based on substance and must be adequately backed," Mr. Bole stated. "Without public confidence in its redemption it becomes depreciated like all currencies when more paper is issued than there is gold to redeem. This always happens as a result of war."

"Gold is the universal basis of value," the speaker continued, "because it conforms most closely to requirements of stability, relative scarcity, indestructibility and portability. The oft-repeated effort to make gold and silver joint standards had failed because their natural values altered like those of all other commodities, and one or the other became worth more as bullion than its face value of coinage.

Why Gold is Standard

"Why, then," Mr. Bole asked, "does not the value of gold carry with its production and marketing factors like every other commodity? The answer is that, although the miner receives the same price per ounce, the general level of other prices rise when gold is plentiful instead of its own price dropping. That is why gold would buy so much more in past centuries, when so little, relatively, was in existence. In this way the miner feels the effect of market factors exactly as other producers."

Concluding the section of his talk dealing with money, Mr. Bole said that fiat money, or money issued without value in redemption, had never proved of any use except in the case of token money, when amounts were very small and easily accounted for.

"Unless money is honest and has the public confidence we cannot claim to have found a substitue for barter," said the speaker.

Capital is Savings of Labor

Capital, Mr. Bole described as the savings of labor, its use was to create wealth which could not come into existence without it. Anything which was used in another way than exchange and was employed by labor to produce wealth was capital, whether it happened to be invested money or machinery. It cannot exist without thrift, the speaker insisted, which must not be mistaken for parsimony.

Wealth was described as the object of economic operations and only came after character and citizenship. It was not necessarily money, although the latter was frequently used to measure it. It was a legitimate object of any person in business so long as moral standards were maintained, and association was warmly endorsed.

Christmas Drafts to Europe Decline

Canadian bank managers in foreign sections state that year-end remittances to European countries were low this year.

Before the war Canadian immigrants sent vast sums home each Christmas. During the war the practice was curtailed, only to be resumed in large volume when European currencies declined, making it possible for a foreigner in Canada to create a handful of millionaires in the old land by sending back a day's pay.

With stabilization plans in vogue the situation has again changed and Christmas remittances have declined and are unlikely, bank men state, to grow to large proportions until Canada encourages and receives a wave of Central and Southern European immigration.

Parent of Bank Boy Tells Why He Does Not Favor Career

Editor, The Financial Post:

Your most valuable and appreciated paper has lately had a series of articles advocating the advisability of more young men seeking the banking life, articles ably written and, up to a certain point, somewhat convincing.

I have, however, been awaiting in vain for the "truth, the whole truth, and nothing but the truth," on the matter and, since this so far does not seem to be forthcoming, although I feel myself much less able to deal with it than the writer quoted, I venture to try to express something of it, on the other side.

In the first place, let me say that I have had the experience of the parent of the youth who leaves school for a bank life, and I will try to set down the great lack I have noticed, and which tends certainly to keep me from advocating any such life for the beginner.

Firstly, let us take the start. Most young boys leave school direct for the bank, with little or no experience of what it is to have much in the way of money belonging to them or to be handled by them.

I take it that the bank is as anxious, or should be as anxious as anyone, that a right start should be made. What do we find in the way of any foresight in this? So far as I have had any experience, absolutely nothing. The lad is engaged at what is to him a fabulous sum, to be paid him monthly as he goes on. He has every encouragement to indulge in any extravagances hitherto denied him, and there is no check whatever set upon him by his employers.

Criticism would be of little use were no remedy suggested.

Why not, then, interview the parent at the start, get his consent (a very ready one I am sure) to the retaining of bulk of stipulated salary for, say, the first year, to be placed to his credit at interest in the bank itself, and merely a moderate monthly amount out of it paid him? Many a youth has been set on the wrong course for lack of some such consideration, and, once he has gone wrong, who is so severe as the bank itself in punishing him?

Secondly—health. Possibly this should have come first. How many of our banking institutions see that the growing boy, hitherto accustomed to his warm daily meal, has some adequate substitute in the shape of a plate of soup, or other suitable alternative?

I can give you the name of at least one of the largest of our banks where absolutely no regard is paid to this, and the inevitable, and ultimately repugnant "sandwich" has to take its place.

Very little foresight would obviate this, but, in the case I mention, it is quite clear that even the benefit which would result to the institution itself, in the way of having a healthy staff, does not weigh with it, and so it goes.

Under these conditions, are you surprised that, as a parent interested in the advancement of my boys, I am far from favoring the banking profession?—Parent.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities	Dec. 24, 1925	Dec. 23, 1926
Halifax	$ 3,268,460	$ 2,901,780
St. John	2,851,446	....
Moncton	1,071,112	1,073,198
Sherbrooke	831,565	898,099
Quebec	5,834,545	6,345,232
Ottawa	7,666,254	8,724,185
Montreal	94,129,789	124,140,611
Kingston	803,664	872,818
Peterboro'	930,333	1,042,154
Toronto	105,702,108	117,285,230
Hamilton	5,447,827	5,919,079
Sarnia	....	724,494
Brantford	1,386,670	1,292,390
London	3,196,830	3,082,903
Chatham	....	1,012,165
Windsor	3,550,278	5,345,516
Kitchener	1,031,967	1,270,310
Western Cities	**Dec. 24, 1925**	**Dec. 23, 1926**
Ft. William	$ 1,131,802	$ 1,155,234
Winnipeg	77,909,974	59,079,790
Brandon	713,008	778,249
Regina	6,277,104	5,166,348
Saskatoon	2,447,799	2,258,687
Moose Jaw	1,484,793	1,667,704
Prince Albert	471,157	501,795
Medicine Hat	397,967	353,317
Edmonton	5,984,904	5,885,118
Calgary	10,131,941	8,702,817
Lethbridge	927,483	598,439
N. Westminster	645,853	686,608
Vancouver	17,620,700	19,109,727
Victoria	2,186,932	2,103,294

BIG BANK OFTEN LOANS MONEY IN SMALL AMOUNTS

Borrower of $5, a Woman, Asked for Three-Months' Renewal

Readers of The Financial Post who study the annual statements of large industrial companies sometimes will have observed that bank loans are things to appear in balance sheets in millions of dollars. The business man who knows only the ways of business in large towns may know only of bank loans running into thousands, perhaps tens of thousands, of dollars.

But the bank official, sometimes the young clerk, who has been manager of branches in small towns, will tell you something different about bank loans. In those places, loans of $1,000 are sometimes unusual, although deposits may not be large, and loans of $100 are common.

Minimum is Small

Yet $100 is by no means the minimum amount that can be borrowed by a person with credit at a country branch of one of the eleven chartered banks of Canada. It is possible to deal in very small amounts with Canadian banks so large that they rank with the first dozen in the world.

The small loan to the individual who has not a line of commercial credit sometimes is small in the beginning and by the time it gets renewed a few times it becomes a transaction which appears ridiculous in the books of the branch. These so-called accomodation loans sometimes get to be a nuisance with the manager and his staff and despite the fact that there usually is a minimum charge of 50 cents, even if the sum is loaned only for ten days, it is a question if the transaction is profitable from the bank's viewpoint when the amount of clerical work involved in making or renewing the loan and carrying it on the books is taken into consideration.

Loan for $5

A relief manager tells a story of what may be the smallest loan ever refunded in a Canadian bank, at least in modern days. This manager was conducting the affairs of a fairly important branch during a vacation period. He found a number of loans which were very small but the smallest he encountered was one for $5 at three months. It came due while the relief man was there and the borrower, a woman, applied for a renewal, also for three months. She and her husband jointly owned property and their income was fairly good, with no children and no recent illness The relief man at first refused the request for a renewal. The woman implored, insisting that Mr. Blank, if he were there, would take care of it for her if she paid the interest. He had often done it, the relief man was assured.

The woman's tears melted the heart of the hard-boiled relief man. He backed down to some extent. He consented to a renewal for ten days, rather than for three months. The regular manager would be back on the job then and he could do as he wished with it.

The relief man says he never has been able to learn whether the note was extended for three months, or whether the regular manager eventually paid it out of his own pocket.

Staff Gossip

H. Kelly has been transferred to the Canadian Bank of Commerce at Kerrobert.—Times, Moose Jaw.

* * *

Elmer Vance, teller in the Bank of Commerce at Windsor, has been transferred to Blenheim, where he will also act as teller. — Times-Journal, St. Thomas.

* * *

M. K. Pugsley, for the past four years manager at the Glace Bay branch of the Bank of Nova Scotia, has been transferred to Toronto, as manager of one of the city branches in the Ontario capital. —Gazette, Glace Bay.

* * *

Thomas Muir, manager of the Simcoe branch of the Royal Bank, has received notice of removal to Fergus. His successor will be H. B. Sutherland, of Burks Falls. Mr. Muir came to Simcoe about seven years ago, when the Royal Bank opened its branch here. During his stay in Simcoe Mr. Muir took an active part in varied interests.—Times-Journal, St. Thomas.

* * *

N. W. Berkinshaw, who for the past eleven years has been manager of the Vancouver branch of the Bank of Nova Scotia, has been notified of his transfer to one of the chief offices of the bank in the east.

Mr. Berkinshaw joined the bank twenty-five years ago at Toronto. In 1907 he was sent west to Calgary and for several years acted as relieving manager at that point and at Edmonton, Regina and Saskatoon. Later he had charge of one of the Toronto city branches and from there came to Vancouver in 1915. He is leaving Vancouver within the next few weeks.

At Vancouver he will be succeeded by D. A. Y. Merrick, who comes from Halifax. Mr. Merrick was previously manager at Regina, Saskatoon and Fort William, and before that was for many years assistant manager here with H. D. Burns, who is now assistant general manager of the bank.

This makes the second banker who has come from Halifax recently, B. L. Mitchell of the Royal Bank having come from that city a year or so ago.—Province, Vancouver.

$21,055,841 in EIGHT MONTHS

BUILDING construction in Greater Vancouver the first eight months of 1926 amounted to $21,055,841, as against $13,224,950 in the same period last year. Figures like these indicate the solid foundation for the faith of those who are investing in Vancouver properties and industries.

Send for Investment Lists.

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DURING the past twenty-one years we have appraised some SIX THOUSAND properties, all within the Dominion of Canada and comprising the most representative industrial plants in every line of industry.

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THE CANADIAN BANK OF COMMERCE

HEAD OFFICE - TORONTO

STATEMENT OF THE RESULT OF THE BUSINESS OF THE BANK FOR THE YEAR ENDING 30th NOVEMBER, 1926

		This has been appropriated as follows:	
Balance at credit of Profit and Loss Account, brought forward from last year	$1,234,574.23	Dividends	$2,400,000.00
Net profits for the year ending 30th November, after providing for all bad and doubtful debts	3,636,983.57	Bonus	200,000.00
		Dominion and Provincial Government taxes	500,000.00
		Donations and Subscriptions	40,000.00
		Transferred to Pension Fund	200,658.53
		Written off Bank Premises	250,000.00
		Balance carried forward	1,280,899.27
	$4,871,557.80		$4,871,557.80

GENERAL STATEMENT

30th November, 1926

LIABILITIES

TO THE PUBLIC			
Notes of the Bank in circulation			$ 28,849,401.16
Deposits not bearing interest		$ 99,675,416.65	
Deposits bearing interest, including interest accrued to date		303,642,688.86	403,318,105.51
Advances under the Finance Act			5,000,000.00
Balances due to other Banks in Canada			563,739.12
Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries			17,803,161.77
Bills Payable			1,072,587.89
Letters of Credit outstanding			13,910,914.62
			$470,517,910.07
TO THE SHAREHOLDERS			
Dividends Unpaid			4,740.12
Dividend No. 159 and bonus, payable 1st December			800,000.00
Capital Paid up		$20,000,000.00	
Rest Account		20,000,000.00	
Balance of Profits as per Profit and Loss Account		1,280,899.27	41,280,899.27
			$512,603,549.46

ASSETS

Gold and Silver Coin Current on hand	$15,230,555.20		
Gold deposited in Central Gold Reserves	7,000,000.00	$22,230,555.20	
Dominion Notes on hand	$21,500,959.25		
Dominion Notes deposited in Central Gold Reserves	4,000,000.00	25,500,959.25	$ 47,731,514.45
Notes of other Banks		$ 1,932,020.00	
United States and other Foreign Currencies		1,638,378.96	
Cheques on other Banks		18,237,898.98	
Balances due by Banks and Banking Correspondents elsewhere than in Canada		11,979,840.07	33,788,138.01
Dominion and Provincial Government Securities, not exceeding market value			45,320,649.69
Canadian Municipal Securities and British, Foreign and Colonial Public Securities, not exceeding market value			23,935,034.91
Railway and other Bonds, Debentures and Stocks, not exceeding market value			8,972,967.77
Call and Short Loans (not exceeding 30 days) in Canada on Stocks, Debentures and Bonds and other Securities of a sufficient marketable value to cover			23,951,945.22
Call and Short Loans (not exceeding 30 days) elsewhere than in Canada on Stocks, Debentures and Bonds and other Securities of a sufficient marketable value to cover			54,102,603.29
Deposit with the Minister of Finance for the purposes of the Circulation Fund			1,000,000.00
			$238,802,853.34
Other Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts			216,186,235.01
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts			25,127,911.03
Liabilities of Customers under Letters of Credit, as per contra			13,910,914.62
Non-current Loans (estimated loss provided for)			1,722,841.56
Real Estate other than Bank Premises			2,078,979.17
Mortgages on Real Estate sold by the Bank			935,001.43
Bank Premises at not more than cost, less amounts written off			11,684,539.04
Shares of and loans to controlled companies			1,786,465.78
Other Assets not included in the foregoing			367,808.48
			$512,603,549.46

JOHN AIRD
President

S. H. LOGAN
General Manager.

Report of the Auditors to the Shareholders of The Canadian Bank of Commerce

We have carried out an audit of the books of The Canadian Bank of Commerce at the Head Office for the twelve months ended the 30th November, 1926, and have compared the above Balance Sheet with the entries therein and with the certified returns from the branches. We have obtained all the information and explanations that we have required and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches at the end of the Bank's financial year, and found that they were in agreement with the entries in the books of the Bank.

In our opinion the above Balance Sheet discloses the true condition of the Bank, and is in accordance with the books of the Bank.

T. HARRY WEBB, C.A.
of George A. Touche & Co.
A. B. SHEPHERD, C.A.
of Peat, Marwick, Mitchell & Co.
Auditors

1927

Jubilee Year Sees Canada in a Triumphant Position as a WORLD Trader

Largest Favorable Trade Balance per Capita and Greatest Trade per Capita of Any Country in the Wide World

Canada's Export Trade for the Fiscal Year 1926, $1,328,537,137.
Canada's Import Trade for the Fiscal Year 1926, $ 927,402,732.
Canada's Total Trade for the Fiscal Year 1926, $2,255,939,869.

The Increase over 1925 was 20.1 per cent.

The physical volume of Canada's trade for 1926 was greater than for any other trade year in the Dominion's history.

The favorable trade balance in Canada for the fiscal year 1926 was $401,134,405.

This was an increase over 1925 of $116,705,299.

Out of thirty leading countries with which Canada does business, she now has a favorable trade balance with 24.

Canada now has 24 Trade Commissioners at the world's largest commercial centres.

* *

THE trade statistics herewith presented provide conclusive evidence of Canada's continued progress. They justify a steadfast faith in this Dominion. It is fitting that, upon the Eve of tne Diamond Jubilee of Confederation, we should review what has been accomplished.

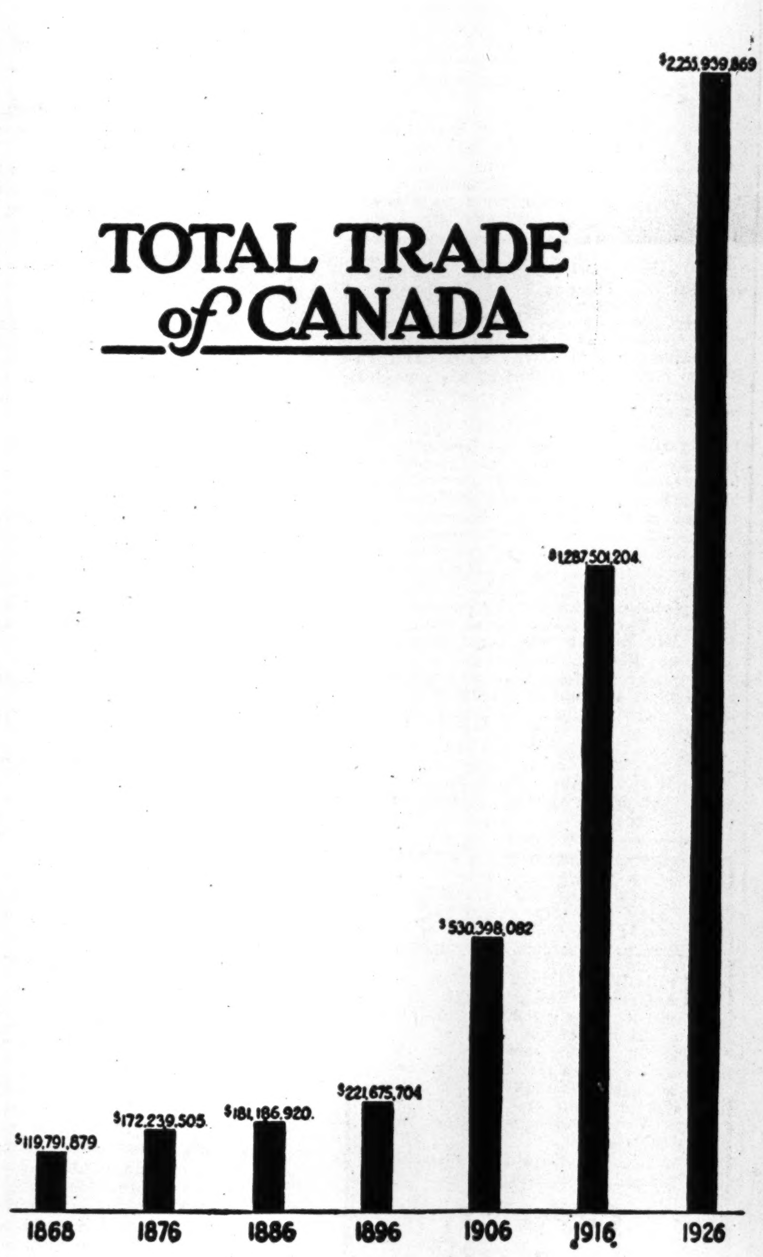
The year after Confederation, Canada's export trade amounted to $52,701,720. For thirty-five years that figure was never doubled but, at the turn of the century, it had grown more than threefold. In 1900 Canada's export trade was $183,237,555. The figure today, $1,328,537,137, is approximately eight times as large as that of 1900 and twenty-five times as large as at Confederation.

Let us make a similar comparison for our imports. In 1868 the imports of Canada amounted to $67,090,159. In 1900 they had risen to $172,651,676, not quite a threefold increase. In 1926 our imports amounted to $927,402,732, or nearly six times as large as 1900.

In the twenty-six years of this century our exports have multiplied themselves by eight and our imports have multiplied themselves by less than six. We have expanded our selling more than we have enlarged our buying. The result is that the Canadian dollar stands at par or better than par throughout the world.

In 1900, at the turn of the century, our favorable trade balance was $10,585,879, while in 1926 it was $401,134,405, almost forty times as great.

Canada was the first country to institute a British preference and thus paved the way for better trade understandings between the component parts of the Empire. In 1900, at the turn of the century, our total Empire trade was $163,533,565. For the last fiscal year this Empire trade came to $806,290,217.


TOTAL TRADE of CANADA

Canada has now special trade arrangements, whether by treaty or otherwise, with many countries.

Canada's export trade is being developed with the assistance of the following Trade Commissioners stationed strategically in the world's trade centres:

E. L. McCOLL, Buenos Ayres, Argentine.
D. H. ROSS, Melbourne, Australia.
YVES LAMONTAGNE, Brussels, Belgium.
A. S. BLEAKNEY, Rio de Janeiro, Brazil.
JAMES CORMACK, Trinidad, British West Indies.
P. W. COOK, Kingston, Jamaica.
L. M. COSGRAVE, Shanghai, China.
HERCULE BARRE, Paris, France.
L. D. WILGRESS, Hamburg, Germany.
A. B. MUDDIMAN, Rotterdam, Holland.
H. R. POUSSETTE, Calcutta, India.
F. W. FRASER, Dublin, Irish Free State.
F. H. PALMER, Milan, Italy.
J. A. LANGLEY, Kobe, Japan.
C. NOEL WILDE, Mexico City, Mexico.
R. S. O'MEARA, Batavia, Java.
C. M. CROFT, Auckland, New Zealand.
G. R. STEVENS, Cape Town, South Africa.
HARRISON WATSON, London, England.
J. FORSYTH SMITH, Liverpool, England.
HARRY A. SCOTT, Liverpool, England.
DOUGLAS S. COLE, Bristol, England.
GORDON B. JOHNSON, Glasgow, Scotland.
FREDERIC HUDD, New York, U.S.A.

Their services are at the disposal of the Canadian exporters. Write us for further information.

* * * * * * * * * *

Today Canada has the largest per capita trade in the world; also the largest per capita trade balance.

In this sixtieth anniversary of Confederation, Canadians can be proud of their stock-taking. The future looms bright. Our credit is A1 throughout the Empire and throughout the world. Continued prosperity seems assured.

Let us renew our faith in Canada in this year of Diamond Jubilee.

Issued Under Direction of

The Department of Trade and Commerce
Ottawa Canada

Hon. James Malcolm, *Minister* F.C.T. O'Hara *Deputy Minister*

Canadian Mining News

THE FINANCIAL POST

Vol. XX. PUBLICATION OFFICE: TORONTO, DECEMBER 31, 1926 No. 53

Mining Growth of 1927 is Likely to be Spectacular

Quebec Camp Shaping up as the Wonder of the Continent

PRODUCTION TO SOAR

Many New Mills Should Get Under Way and Others Enlarge Their Output

The coming year looks to have great possibilities for the Canadian mining industry. Developments which have been going on at many points should come along rapidly during the coming year. There should be three new producing camps. Central Manitoba, Goudreau and Rouyn. The producing sections of Ontario should make material increases. The Financial Post recently pointed out that there will be many new mills in operation in the not distant future and also a number of enlargements which will materially add to the production.

In British Columbia there are many propositions making fine progress. In the silver-lead-zinc sections, it is believed that the coming year will see more operators than ever before while Portland Canada, despite the transportation drawback, should see at least one new mill and many shippers get going. Copper, lead and zinc production should reach new highs.

In the east the eyes of all are on Quebec. It is believed in this area, Canada possesses what may turn out to be the wonder mine camp of the continent. It is believed that the area of mineralization is tremendous, but the difficulties of overburden and timber make prospecting difficult, and is going to delay the rapid progress of the camp.

Oh! For a Real Fire!

The writer listened to an interesting discussion among a couple of Quebec prospectors recently, and they were talking about Mountbray Tp. situation, where the prospecting is extremely hard. One of them remarked, after some discussion that it would have proven the greatest blessing if a real fire swept over the area. It would have burnt off the slash, much of the timber and cleared the rocks in a great many places.

Red, Woman and Narrow Lakes may furnish some surprises this year. It would not cause much surprise if Jack Hammell comes out with an announcement of his plans for the Howey in the near future and the launching of operations on this property will speed up the rest of Red Lake. In Woman Lake the Jackson Manion optioned to Timmins' interests will be diamond drilled and it is believed that the Henry group may also be taken up by the same interests. There are several other operations in this section that look important, and which should make excellent progress in 1927. In Narrow Lake the main attention is focussed on the Bathurst group, which was recently optioned, but there are others that are important as well.

Pioneer in Goudreau

The Pioneer operation is the backbone of the Goudreau camp, and it is believed that the company has a fair mine in the making. It is understood that there are other groups with important holdings in the camp that will likely come to the front next year.

Central Manitoba will have its first mill operating by the middle of the year. There are two other operations in this section that will be worth watching, Cryderman, of Mining Corporation, which is being diamond drilled and Eldorado, which will likely sink to 500 ft. when the power is available.

Boston Creek will do better this year. Barry Hollinger will get its mine cleaned up and the mill running on good ore, and Gold Hill should have its 100 ton mill operating by spring. In the eastern part of Kirkland Lake, Argonaut looks to have got out of its

(Continued on page 19)

Surface Plant of Barry Hollinger Gold Mine, Boston Creek

This cut shows the surface plant and mill of Barry Hollinger, the only producer of Boston Creek, which after many ups and downs seems now in a position where it may start earning profits for the shareholders. Details of the development will be found elsewhere in this issue.

Barry Hollinger Mill Will Start Drawing Ore from Stopes in Week

When This is Brought About Size Up of Mine's Possibilities Will be Quite Easy—Details Are Interesting

ASSAYS RUN CONSISTENT

Deeper Work Shows High Values Over Good Depths—Pres. Crow Has System of Keeping Tabs on All Work

Much gossip is heard on the Street regarding Boston Creek camp and in this connection Barry Hollinger Mines figures prominently. Some have criticized the operation because the average content of the ore being milled has run around $8. The Financial Post asked Pres. H. C. Crow for an explanation and he responded with a comprehensive review of the whole operation, which is presented below. Barry Hollinger has been cleaning up the mine, and very shortly operations will swing into the ore in the stopes, of which there is a two year supply ahead. When this takes place a true line on what the mine can do will be possible.

A talk with Mr. Crow is interesting. He has at his finger tips the full details of the mine. He has daily reports on ore broken, ore drawn and assays on all new faces. By putting into operation these close business methods he can approximate daily just what the mine should do. He knows what is going on at all times. Keen business methods, eliminating wastage and waste effort is what helps make profits for shareholders. Mr. Crow's views on Barry Hollinger follow—

H. C. CROW,
President of Barry Hollinger Gold Mines, Boston Creek, which will soon enter the real production period.

When the history of Northern Ontario Mines is told, romance will be written in bold type, but nowhere will there be more romance than can be found in the development of Barry-Hollinger Gold Mines in Boston Creek.

The late Ben Hollinger, after staking and selling the property which now forms part of the Hollinger Consolidated Mines, began to look for new worlds to conquer; or to be more literal, took a look round to see where new Gold Mines could be located.

Associated with Paddy Barry, a well-known prospector of Haileybury, Boston Creek area was examined thoroughly, and the claims then staked are the nucleus of the Barry-Hollinger Gold Mines.

After doing preliminary work, the properties were optioned to Sir Chas. Ross, and associates who at once commenced development under the name of the Patricia Syndicate.

An inclined shaft was sunk for 200 feet, and good milling ore was opened up on the 100 and 200 foot levels.

Erected First Mill

A small mill with a daily capacity of from 40 to 50 tons was built. This mill to treat the ore by amalgamation, only operated for a short time, when through unforseen circumstances, the mine was closed down, and the property reverted to the original owners.

It was then decided to incorporate the company, combining the names of the two original owners, namely, Paddy Barry and Ben Hollinger. So thus, came into existence the Barry-Hollinger Gold Mine.

Unfortunately, a bush fire devastated the entire district of Boston Creek, in 1918 destroying the whole plant and buildings; and as the great war was still raging, it was found impossible to raise sufficient money to carry on. It was not until the spring of 1923 that capital could be induced to again attempt to bring this mine to the producing stage.

In the Spring of that year, all new camp buildings were put up, and an entirely new mining plant installed.

The main shaft was sunk to the 600-foot level, and levels were extended on the 100 and 200 foot horizons. Lateral work was done on the 300, 500 and 600-ft. horizons disclosed additional valuable milling ore.

Second Mill In 1925

On the advice of the engineer in charge, a small 50-ton mill (amalgamation and concentration) was installed in 1925. From this small mill, no less than $100,000 (one hundred thousand dollars) in gold bullion was shipped to the Mint.

Having proved that the mine had possibilities of developing into a really profitable producer, it was decided early in 1925 to enlarge the mill to a capacity of 150 tons per day, and put in an all-cyanide mill similar to those in operation at the large producing mines in the near-by Kirkland Lake camp as well as in Porcupine.

During the building of the enlarged mill, development was pushed ahead. The main shaft was sunk to the 1,000 foot level, and the rich bodies of ore which had been opened up on the upper levels, were opened up on the 800-foot level, and found to carry the same improvement as had been in evidence from the 100 to the 600-foot levels, with the result that to-day, the ore on the 800-foot level

(Continued on page 18)

Mining Corp. Has 35 Claims in Mountbray Tp.

Mining Corporation proposes to use the Electrical Survey on its Mountbray Tp. group of 35 claims, as soon as possible. The property is four miles north of Nipissing two miles north of Consolidated Smelters' ground and a mile east of N.A. Timmins' options.

Headquarters camps will be erected on the claims, the lines cut and everything prepared for an extensive geological survey of the claims by use of the Lundberg electrical survey that is coming into general demand by the big mining companies in the Rouyn field. Winter weather will permit of a more general and inexpensive preliminary survey than would prove the case in the summer time as the low-lying ground is more easily traversed during the winter weather.

Better Passenger Service for Rouyn Line Coming

Canadian National Railways is now carrying about 18 cars of freight and two passenger cars daily into Rouyn Quebec, from the transcontinental. The outlook for passenger traffic is such that the company has under consideration better accommodation and it is possible that a daily passenger train in and out will be placed in service. At the present time the service is mixed and some long delays are experienced while freight is being unloaded.

TALK ABOUT DOME RESULTS

Dome Mines is reported to be getting good results in following up diamond drilling on the 18th level. Nothing official is available.

"Our Lady of the Snows"

Canada's heavy winter snowfalls are looked upon by many as a tremendous liability. They believe that good European settlers are kept away because they fear the snow and the cold, many of them having the idea that the country is buried in snow the year round.

While some loss may be sustained as a result of this, the blessings that accrue, place Canada in a position that makes her the envy of all.

The heavy fall rains that precede the annual mantle of white and the heavy rains that follow its passing, are the big factors in giving Canada a potential water power development of 32,000,000 horsepower yearly, which means a tremendous lot to the mining industry and incidentally providing a means of transportation to otherwise inaccessible regions.

Canada's mining industry is independent of coal strikes because Canada's white coal is dependent only on nature. The human element is absent.

The abundance of electric power in Manitoba, Ontario and Quebec, has played an important part in the development of the mineral resources of the country. In that portion of the pre-Cambrian that has been partially developed in the three provinces there is a known resource of 18,000,000 horsepower, only a small portion of which has been developed. This means a lot in mining costs and is going to enable the copper producers of the area to produce copper very cheaply which will undoubtedly be an important feature as production soars and the Dominion comes to rank among the important copper producers of the world.

$210,000,000 Paid Out in 1926 by Mining Camps of Canada in Salaries, Wages, Supplies

Last week The Financial Post pointed out that Vancouver was getting $3,000,000 in business from one mine, Britannia, which has been producing around $8,000,000 yearly.

Canada's mineral production from 1926 is estimated around $237,000,000 and of this sum $210,000,000 finds its way almost immediately into the trade channels of the country, $120,000,000 going to pay salaries and wages and $90,000,000 for supplies. The following table gives estimates of the 1926 production of the various provinces with figures showing the rough distribution of this new wealth:

	Total	Labor	Supplies
Alberta	$24,082,530	$15,000,000	$ 8,532,000
British Columbia	68,243,656	28,000,000	23,000,000
Ontario	87,043,786	45,000,000	36,890,000
Nova Scotia	28,177,510	16,000,000	13,500,000
Quebec	23,526,000	12,000,000	8,020,000
Manitoba	2,136,448	1,200,000	600,000
Saskatchewan	891,966	500,000	390,000
New Brunswick	1,607,610	1,400,000	768,300
Yukon	2,211,658	650,000	320,000
Total	$237,921,168	$120,350,000	$90,020,300

Equally interesting is what the mines buy. A compilation, based on production and an estimate on the various items would indicate that of the 1925 mineral production. The expenditures were divided as follows:

Meats	$14,850,000
Dairy products	19,570,000
Flour, bread, rolled oats and beans	10,485,000
Vegetables	5,155,000
Fuel	16,230,000
Rent	18,750,000
Clothing	16,290,000
Machine shop work	10,550,000
Chemicals and apparatus	9,250,000
Explosives	13,620,000
Freight	8,260,000
Power	15,300,000
Other	28,000,000

Boom in Quebec Stocks May Go On Indefinitely

Developments on Properties Getting Bulk of the Attention May be Duplicated in Number of Others in Very Short Time

The bull market in Quebec shares with a substantial trading in other stocks as well, has given the Standard Stock and Mining Exchange the most prolonged session of million share days that it has had for some time. Nor is the end in sight. When it is considered that the position of the stocks that are getting the bulk of attention can be duplicated by a number of other concerns almost over-night one wonders where it is going to end.

Amulet and Area have been the most spectacular performers. Amulet has been making good progress to the stage where serious plans are to be made for production. It has a number of important and interesting showings and the electrical survey has indicated immense possibilities. Amulet first found a shallow deposit, which for a time aroused fear that the proposition would never be very extensive, may be mined by open cut. The more later finds are vertical deposits and indicate big possibilities for the venture.

Area came up rapidly because of the electrical survey and is now about to diamond drill. In a week there may be some information available. It may take longer, but the heavy accumulation of the stock has been as a result of buying by those who are gambling on the drills cutting into commercial ore bodies. The position of the property is very favorable. It would seem that the Amulet-Area break, running north

(Continued on page 20)

Leading Silvers and Golds Hold Strong Position

Supply of Stock Scarce and Some New Prices Are Recorded

OUTLOOK EXCELLENT

Feeling Abroad That After Quebec Issues Have Run Out Ontario Issues Will Spurt

Trading in Northern Ontario mining shares during the past week has been overshadowed by the bull market in Quebec shares. Nevertheless there was a considerable volume of trading in the gold and silvers and it is altogether likely that when the Quebec issues have had their run, attention will turn back to the gold and silvers and that they will have a session of real activity.

The position of the market for gold and silver shares is quite a strong one. There are some who may find fault with this assertion, but a good test would be to put a sizeable buying order on the market for any of the issues and it would be immediately apparent how scarce the good silver issues really are.

Nipissing for the time being is regarded as a Quebec stock because of the interest in its Quebec find. Castle has held firm around $1.10. Despite the low price of silver the operation continues to show a good profit and developments which will mean a material expansion of the mine are now going forward. Castle shapes up today as the biggest individual silver operation in the north country. Keeley continues to do well and likewise Canadian Lorrain. The mill on the latter property has now been operating about a month. Mining Corporation has a wide diveristy of interest, between its silver, gold and base metal holdings and there are many who regard the stock as selling fairly low.

Teck Hughes Higher

Teck Hughes has sold up to $5.50 during the week. There has been steady accumulation of the shares going on and many are predicting a higher price. It is doubtful if action on a higher dividend rate will be forthcoming until on in the new year.

Lake Shore and Wright Hargreaves continue to command attention. Both issues are selling around the top because of the attractive outlook for dividends. Tough Oakes Burnside has slipped a little. The fact that a substantial block of shares is to be distributed in London has been a weakening factor. Kirkland Lake has been a little weak. There has not been much in the way of new news but what has been forthcoming has been of a favorable nature.

Argonaut shares have come back slightly since the raid made a week or so ago. The mine continues to look better. The same with Barry Hollinger. In this week's issue we publish a comprehensive review from President Crow that is worthy of study. Gold Hill shares have held quite strong. This operation continued to look quite attractive. It is not

(Continued on page 18)

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Kirkland South Break to Outdo the Main Break

Rather Interesting Views Are Presented on Tough Oakes Development

OUTLOOK IS BETTER

Chairman Latilla Tells of Expectations That the Stock Would Have Reached Dollar

Shareholders in Tough-Oakes Burnside Mine will find the remarks of Chairman H. G. Latilla, Kirkland Lake Proprietary, to the shareholders of that company of much interest. He reveals the fact that they had anticipated, when T.O.B. shares got up to 70-75 some time ago, that they would soon carry through to par, but this was spoiled by bad luck at the mine. It was also revealed that it is expected that the mill will handle 5,000 tons monthly from now on and that costs will drop to $6. Mgr. Stuart expects to be able to maintain such a tonnage easily.

Mr. Latilla says that the south break of the camp around which they are now working, may exceed the main break in importance. His remarks follow:

"In spite of difficulties and occasional set-backs, the past year's work at the Tough-Oakes Burnside Mine has afforded a good deal of encouragement, and the net results are, on the whole, the best since 1917. It is pleasing to know that the present outlook is also more hopeful than at any time during this year, for recent discoveries at the lowest levels in the western section are not only showing good ore, but are throwing much light on the general structure of the rock system and justifying the inference that conditions are becoming more settled in depth. There is good reason for hoping that these conditions will be better still within the next 200 ft. or so below the present floor of the mine, which is 1,350 ft. from the surface.

"Indications are that the fracture known as the "Main Break," round which operations have chiefly centred in recent years, may cease to justify its name and be surpassed in importance by a very strong fracture some 230 feet to the south of it, which is known as the "South Break." This latter is in all respects similar to the stronger breaks at the west end of the camp, where such high-grade ore continues to be found. Connected with it, or at least closely related to it, is a system of flat-dipping veins, from one of which most of the ore milled this year has been taken. These veins do not outcrop at the surface, nor have these particular ones been found in the upper levels. While they lie more or less in a direction east to west, they have a strong trend to the south, towards the western end of our property. This is a very important consideration for us, as it naturally increases the possible length of strike within our boundary.

Big Things at 1500

"Cross sections recently made of these different ore-bodies—we have not yet received copies of them—have led Mr. Stuart, the mine manager, to conclude that there will be a junction at about the 1,500 ft. level, towards which he proposes to proceed at once by winzing. That is, he will follow the vein on its dip by an internal shaft. Similar junctions have produced important high-grade ore-bodies in the western end of the camp, and brought about the high level of share prices now ruling for shares of neighboring companies.

"A most encouraging feature has been the discovery on the 1,225 ft. level of a new vein lying to the north of the flat-dipping vein already mentioned, and having similar features. Since then a cross-cut has been put through and the vein picked up at the 1,350 ft. level. This recent discovery certainly tends to justify the manager's belief previously held, and shared by other engineers who have visited the mine, that more of these flat-dipping veins exist in this section.

Found to East

"A further important fact about this south break is that it has been located to the east of the dyke which runs north and south across the claims, and may throw much light on the geological conditions in that part of the mine where by far our greatest area is available. For much longer than we or the manager desired, explorations and development work in this region has been restricted and postponed, owing to the need for limiting expenditure to productive work as far as possible. It can be said, however, that such indications as have been found at the lower horizons to the east of the dyke are, as in the western section, more favorable than higher up, and Mr. Stuart's intention to start systematic work there is now being carried out, work having been resumed on December 8.

"Diamond drilling has indicated that the deposit of lamprophyre, which was the great bug-bear in this section in the upper levels, where it cut off the values at the eastern end of the rich No. 2 vein, does not persist so far south as might have been expected, and this favors the chance of more settled conditions. The fact that No. 2 vein, the richest ever found in Kirkland Lake Camp,, lay to the east of the dyke refutes the idea that the latter cut off all values in the breaks, and, as a matter of fact, good ore has also been found in other veins to the east of it. What we are reasonably hoping for is a good consistent strike of pay-ore on the east, where there is a great area available and unexplored.

Prospects at Depth

"We are not depending on any general theory that 'values improve at depth,' but on the particular experiences in this camp, in our own and other mines. There is no doubt that values vary at different horizons, and it is fair to say that the best ore-bodies in Kirkland Lake Camp have been at the lower levels from about 1,000 ft. down to more than 2,000 feet. Our old No. 2 vein was an outstanding exception, of course.

Tough-Oakes was the first developed mine in the Camp, and by no means the only one to meet with troubles. I well remember when Teck-Hughes was experiencing in the upper levels just what we have had to face in Tough-Oakes, their shares were quoted at only a few cents—and I have particular reason for this, seeing that we sold some 200,000 Teck-Hughes at a very low price, which shares are to-day nearly $5. Others of our neighbors now producing handsome profits and whose shares stand at high premium have had more or less trouble of the sort. I think we shall see Tough-Oakes follow them on their upward road.

"A great deal of unproductive work has been forced upon the management during the period under review, with the net result that apart from abnormal and non-recurrent expenditure on capital account the revenue will balance the expenses. The New Year is opening under more satisfactory auspices, and the manager expects much better results. Practically all surface workshops have been concentrated near the main shaft, with very beneficial results. The mill, originally designed for 125 tons a day, has now a capacity of nearly 200 tons, and Mr. Stuart is expecting to crush 5,000 tons a month at an all-in cost of $6.00 per ton."

Optimism Over Oil Hunt in Nova Scotia

Much interest is being taken in the hunt for oil in Inverness Co., Nova Scotia, where drilling operations have reached the point where definite results may be expected any time. The drilling is being done by the Eastern Gulf Company, subsidiary of the Gulf Oil interests of the United States. Inverness visitors to Sydney state that it is common talk among the men on the job that most encouraging signs have been struck, and no one need be surprised if a moderate gusher is brought in at any time.

The operations are in the vicinity of Mabou, and other drillers have been at work near Lake Ainslie.

MARITIMES ARE TIGHTENING UP MINING LAWS

Will Try and Encourage Prospector and Discourage Speculator in Claims

Premier Baxter announces that the mining laws of New Brunswick are under process of revision. The first essential is that the mining industry shall not be regarded purely as a source of revenue for the government, but as a means of development which will mean much to the province. The work of mining should be made as easy as possible, so that prospecting for minerals will be encouraged. Nova Scotia is revising its mining laws with this end in view. Ontario has done so already. Ontario long ago abandoned the idea of getting royalties. There has been substituted a moderate tax on mining property. Where a mine is situated in an organized municipality the latter gets one-half the tax up to $35,000, in lieu of taxes it might otherwise impose. Last year Ontario derived from its mines a revenue of about $850,000. In Ontario a miner may get a license for five dollars, and he may stake three claims per annum in any and every mining division. He must also, however, do 200 days work, and he is then permitted to purchase the land at a nominal figure per acre. The method of leasing does not find favor in Ontario. There is a special court in the province to settle mining controversies. During the last few years Ontario has made remarkable progress in mining, and there can be no doubt that the excellent mining laws have produced that result. A St. John telegraph says New Brunswick and Nova Scotia need such laws as will encourage the prospector and discourage any who would secure and hold lands for a long period on speculation and without doing any real development work. The Mines Department of Nova Scotia has acted and New Brunswick is now giving the matter careful consideration, with a view of developing, if possible, mining areas, and building up small centres which would not only furnish employment but an excellent market for farmers and merchants.

LEADING SILVERS AND GOLDS HOLD STRONG POSITION

(Continued from page 17)

far from the mine stage and while the operation, and in fact the camp, has its knockers, yet it is to be remembered that this has been the fate of practically all the camps with the possible exception of Rouyn. The Boston Creek issues seem to have considerable to recommend them in the aggressiveness of the operations that are going on, though of course, like all camps, it will certainly attract some of the wild catters.

Porcupine Strong

Porcupine seems for the time being pushed off the map, though Hollinger sold up to $20 and McIntyre has been strong around $25. Dome has been a little weak, Vipond has been stationary, but there are those who are predicting a flurry in it. Coniarum is doing well and there has been some talk that the market might soon reflect the true position of the operation. West Dome weakened for a time but seems to be coming back. Night Hawk had a flurry on the report that Chas. Spearman, M.E., Montreal, was making an examination for Philadelphia interests.

The market looks strong all down the list and with stocks rather scarce, it is natural that prices would evidence considerable nervousness with the bull market on in Quebec shares.

Waite Montgomery May Start With a Glory Hole

It is likely that the first production from the Waite-Montgomery property in N. W. Quebec, will come from a glory hole operation much the same as the first operation on Dome mines. For a time it looked as if this would be the principal mainstay of Amulet also, but other developments of an important nature have since taken place.

FOURTH TURNER VALLEY PRODUCER GIVING 300 BBLS.

Illinois Alberta Proves an Additional Extensive Part of Field

Illinois Alberta Co. in Turner Valley field near Calgary has the second largest producer of the field. The well has been recently flowing over 300 barrels of naphtha daily. The company has not the needed equipment on hand and so is adopting the ingenious method of opening the valves wide, which will cause a tremendous rush of gas and expansion and ultimately freeze the well in. In this way only can the gas flow be stopped until the needed equipment is ready. Some time ago the well froze in and was thawed out by live steam.

Illinois Alberta was drilled into production by diamond drill. The well is located about a quarter mile almost due west of Royalite 4, the first and biggest producer of the camp. McLeod 2 does not seem to be making much progress, and is being shot this week. It will be the first effort of this kind in the field. McLeod was the second producer. Vulcan, the other naphtha producer is giving a nice even flow of around 150 barrels daily. The company will soon start on a second well. Illinois Alberta thus proves a very extensive addition to the field and is helping to awaken a much belated interest in the area. It is rumored in the West that Imperial Oil, which holds leases around these wells may start offset wells in the summer.

Much interest is being taken in the Ribstone Well of Imperial. While farmers are saying that the well is a big one, T. H. Draper, Imperial Oil's western manager, says the baler brings up 75 per cent. water and 25 per cent. black oil, presumably 18 degrees Be. It is likely that the well will be deepened.

Alberta Oil Examiner, discussing the situation as it is to-day, says:

The past month, with the bringing in of the Vulcan and Illinois-Alberta wells, has been the most important development in the Turner Valley since big production was first reached in Royalite No. 4.

The strike at the Illinois recalls an interesting chapter in the history of the oil industry, going back to the days of the first drilling activity.

The well was a pioneer from start to finish. Commenced in 1914 it proved the possibilities of its section of the field in production from the higher levels. Its creditable performance as a producer from the Dakotas was followed by the drilling of Royalite No. 4, less than half a mile east. The Illinois was the first Turner Valley well in which a diamond drill was operated and is now the first producer in the field with a clear hole. All the other wells that have been drilled into the limestone—Royalite No. 4, Vulcan and McLeod No. 2—have a bit at the bottom.

The successful use of the diamond drill has been of tremendous value to the whole industry here, through other companies following the lead set by the Illinois. The diamond drill assures the maximum production.

No well in the field has experienced as many ups and downs, but the numerous difficulties—ranging from all kinds of fishing jobs to the burning of the derrick—have always been overcome and now it is only a matter of days until the well will be hooked up with the separator and on production.

In the spring of 1919 oil was first struck in the well at 2,227 feet and the drillers went on down in that sand to 2,270 feet. The drillers baled out 800 barrels of oil in the first 30 days, all of which was sold locally. The gasoline tested 57 degrees Beaume. After that an absorption plant was run for nearly two years with the well producing from this level.

In January, 1923, another spectacular performance took place when drilling had proceeded to 3,040 feet. S. E. Slipper, government geologist, described it as "an important producer of gas, from which gasoline may be extracted on a commercial scale."

A tragedy was averted only by a miracle when the well caught fire in March, 1923, when the valve was being opened by Grant Jennings and Art Tretwold. How the pair ever managed to escape, soaked with gasoline, is a wonder. The fire was finally put out after it had raged all day. The derrick, of course, was soon burned down by the conflagration.

In March, this year, another flow of 2,000,000 feet of gas was struck at a depth of 3,338 feet.

This autumn, when high pressure gas was encountered again in the limestone, involving considerable risk in continuing with cable tools, a diamond drill outfit was installed and the well drilled to a depth of 3,854 feet, 207 feet in the limestone.

The well was commenced at Northwest Pacific No. 11 and was taken over by the Illinois-Alberta Oils, Ltd., in 1916.

Much Activity in Central Man. Area

Henry Hanson who is building the mill for the Ceneral Manitoba Mines at Long Lake is back from a trip to the property. He says the area is the scene of considerable activity. The power company is busy surveying its line from the power plant to the mine and at the same time there are some thirty odd teams busy hauling equipment to the mine. In the same section a large pulpwood contractor has over 20 teams at work hauling out pulpwood. The winter is by far the busiest that has ever been experienced in that section of the country.

MINING STOCK QUOTATIONS

Week Ending Dec. 28

	Par Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Dec. 28 Close	Sales for wk.	Range, 1925 High	Range, 1925 Low	Range, 1926 High	Range, 1926 Low
Amulet	$1	...	...	2.89	1.70	2.70	434770	1.50	.85	2.89	.90
Algonquin	1	...	...	4½	3	3¾	35000	3	1	6¼	1¼
Apex	1	...	...	....	..	..	....	..	..	6	3
Area	1	...	...	1.40	.76	1.25	750575	..	..	1.40	.21
Argo. Con.	1	...	...	56	50	55	126400	48	11	67	18½
Atlas	1	...	...	2¼	2	2	9000	5	¼	5	1⅝
Baldwin	1	...	...	5¼	3½	4¼	139200	7	1⅞	6⅞	1
Barry Holl.	1	...	...	87	82	85	56850	50	18	1.00	.22
Beaver	1	...	...	55	51	51	1500	57	25	99	51
Bellellen L.	1	...	...	20½	20	20½	4000	..	..	23½	20
Bidgood	1	...	...	8	8	8	1000	16¼	4¼	9⅝	4½
Bourlamaque	1	...	...	1.45	1.40	1.45	42300	..	..	1.45	.65
Buckingham	1	...	...	4⅞	4⅛	4⅞	16500	5¾	2¼	5	2
Can. Lorrain	1	...	...	59½	57	58¼	20200	80	22	93	45½
Capitol	1	...	...	43½	24	24	72900	38	24	50	24
Castle Tre.	1	...	...	1.11	1.07	1.09	27860	1.60	.71	1.85	.91
Chaput H.	1	...	...	5½	4½	4¾	14500	10	4	31	3¼
Clifton	1	...	...	1	1	1	2000	26	2	6½	1
Coniagas	5	...	...	4.40	4.25	4.25	800	5.00	1.25	4.80	3.00
Coniarum	5	...	...	3.60	3.00	3.60	2713	4.00	1.00	4.45	3.00
Col. Kirk.	1	...	...	2¼	2⅛	2¼	13500	10½	2	25	2
Cons. Smelter	25	10	3.87	262	254½	258	2611	183½	48½	265	177¼
C. W. Dome	1	...	...	19¾	15	19	207250	25	10½	29½	14
Crown Res.	1	...	...	10	9	10	28800	55	15	24¼	8
Corona	1	...	...	32	26	26¾	315850	..	..	32	20
Destor	.	...	...	40	40	40	1800	..	..	40	40
Davidson	1	...	...	2	2	2	12500	..	..	3	1½
Dome Mines	None	$2.00	17.70	11.50	11.30	11.30	3205	18.00	12.90	20.00	8.00
Don Rouyn	1	...	...	53½	47½	51½	92900	..	..	61	25
Dupuy	1	...	...	....	..	..	....	..	..	..	..
Duprat	1	...	...	35½	27¾	31¼	645900	..	..	35½	10
Everett	1	...	...	4	3¾	3¾	7500	..	..	12¼	3¾
Fiske	.	...	...	16	16	16	300	..	..	16	12
Goldale	1	...	...	28½	27	27½	35900	37	14¾	43	24
Gold Hill	1	...	...	50	45	46	101144	..	..	73½	25
Gold Reef.	1	...	...	1¾	1½	1½	4000	2½	1	5	1
Hillcrest, com.	100	...	...	65	65	65	15	..	..	65	55
Hill Top	1	...	...	26½	24	24	34600	..	..	31¾	20
Hollinger	5	26	6.52	20.00	19.60	19.95	4550	17.50	13.30	20.00	16.65
Indian	1	...	...	4½	4	4½	14000	17¾	3½	14¼	3¾
Int. Nickel, c.	None	$2.00	5.26	39¾	37½	38½	3660	48⅝	24¼	46	33
Jay Copper	1	...	...	1.09	1.05	1.08	17600	..	..	1.09	.73
Keeley	1	24	15.48	1.55	1.50	1.55	9840	2.32	1.40	1.91	1.39
Keora Mines	1	...	...	13	11	11	22725	15⅞	8½	22	11
Kirk. Hunt.	1	...	...	31¾	28	28	84450	..	..	34	8½
Kirk. Lake	1	...	...	74	70	70	47950	92½	33	1.44	.69
Lake Shore	1	40	2.75	14.90	14.30	14.50	14420	10.00	4.51	15.10	9.60
L. Lorrain	1	...	...	3¾	3	3	21800	..	..	10	1⅛
Laval	1	...	...	45	33	41	738400	..	..	45	21
La Rose	1	...	...	15	11½	11½	8350	53	7½	38	4
Lorrain	1	...	...	2½	2½	2½	5000	24	7	15	2
Lorrain T. L.	1	...	...	....	..	..	....	1.34	.85	1.10	.30
Marclay	1	...	...	34½	33¼	33¼	14400	..	..	34½	30
Macassa	1	...	...	32½	32	32	8900	..	..	43	31
McKinley	1	...	...	14	12	13½	10100	42½	14½	26	8½
McIntyre	5	20	3.97	25.50	25.00	25.20	7175	22.70	16.00	29.95	22.70
Millcrest	1	...	...	6	4½	5	4000	..	..	21	3½
Mining Corp.	5	5	8.00	3.28	3.15	3.20	14145	3.40	2.35	4.45	2.60
Moneta.	1	...	...	13	13	13	1000	..	..	18	11
Montreal Rouyn	1	...	...	25	24	25	1500	..	..	60	13
Noranda	None	...	...	24.10	23.00	23.70	26440	10.90	9.10	24.25	12.00
Newray	1	...	...	35	33	33	7000	44	17	45	31
Night Hawk	1	...	...	9	7½	7½	150900	49½	6	17	3¾
Nipissing	5	12	6.74	9.25	8.00	8.90	38163	6.80	4.60	9.25	5.00
N. A. Lead	.	...	...	1.73	1.67	1.72	18300	..	..	1.73	1.50
Osisko L.	.	...	...	1.75	1.50	1.50	13550	..	..	1.90	1.05
P. L. Cobalt	1	...	...	16½	15½	16	9000	..	..	32	15½
Porc. Crown	1	...	...	9½	8¾	9	74300	8	2	12	4
Pioneer	1	...	...	1.07	1.03	1.05	14250	..	..	1.22	.66
Premier Gold	1	32	16.80	1.92	1.88	1.90	5775	2.58	2.19	2.75	1.83
Preston	1	...	...	7	5½	7	3700	12	6½	9⅞	4
Rouyn	1	...	...	3½	3	3	77500	10	3	9	1⅞
Rouyn, Que.	1	...	...	2	2	2	2000	..	..	4½	1¼
South Keora	1	...	...	35	31	35	55300	26	20	35	5
Stadacona	1	...	...	51	48½	50	129600	..	..	51	40
Teck Hughes	1	10	1.85	5.55	4.98	5.40	93103	3.00	1.23	5.55	2.64
Timiskaming	1	...	...	7½	7½	7½	1000	30	11½	15¼	6
Thomp. Krist	1	...	...	1½	1½	1½	9000	..	..	3½	1
Tough Oakes	1	...	...	54	50	52	142250	61	25	65½	36
Towagamac	1	...	...	5.10	4.70	4.80	24645	..	..	5.20	3.15
Vic. Silver	1	...	...	5	4¼	4½	13500	31	5	9½	3⅛
Vickers	1	...	...	1.18	1.14	1.18	18000	.20½	.3	1.18	.13
Vipond	1	...	...	1.68	1.61	1.65	31486	1.04	1.01	2.02	1.49
Wasapika	1	...	...	1⅛	1	1	2000	..	..	3	1
West Tree	1	...	...	3	3	3	6000	..	..	3½	2
Wettlaufer	1	...	...	2	2	2	17500	17	3½	10	2
Wright Har.	1	37½	3.88	9.75	8.80	9.65	22765	7.95	4.15	9.75	7.77

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BARRY HOLLINGER MILL TO START DRAWING ORE FROM STOPES IN WEEK

(Continued from page 17)

shows the veins longer and richer than on any of the upper levels.

Sink to 1,500 Feet

A new, electrically-driven, double-drum hoist has been recently installed. This plant will permit of underground development to at least 1,500 feet, which horizon, will likely be reached and opened up, before the end of 1927.

Cross-cutting to the ore zone on the 1,000-foot level is now progressing, and geological conditions are such that there is every reason to anticipate that when the ore is encountered, Barry-Hollinger will have established itself as a mine of great prominence and with a wonderful future ahead.

The enlarged mill commenced operating early in October, 1926, and for the first two or three months ore from the dump and development underground, was handled exclusively.

Mining men will appreciate the fact that there are periods, in adjusting a new mill to meet conditions, when low-grade material must be treated and moved to make way for higher grade ore, as well as in the natural expansion in underground operations.

Outlook For New Year

Early in 1927, high grade ore will be available for the mill. To give an idea of the great possibilities of this mine, the following results of correct sampling after each round, from Nov. 17th to Dec. 21st, on different levels, should change the view point of the pessimists who could see no successful issue in opening up again the Boston Creek camp:

During the period previously mentioned, careful sampling of the ore as broken down in the various stopes on different levels gave the following results:

300-Foot Level: 59 Consecutive assays averaged $15.04; average width: 48.6 inches.

500-Foot Level: 19 consecutive assays averaged $9.79. Average width 68 inches.

600-Foot Level: 57 consecutive assays averaged $12.95. Average width 64.5 inches.

800-Foot Level "West": 9 consecutive assays averaged $21.92. Average width 65 inches.

In addition, the ore shoot on the 800-foot level gives evidence of extending considerably to the east, as from 50 consecutive assays the results obtained were approximately $6 over 60.5 inches, and this result was arrived at after discarding all sampling where visible gold was in evidence.

Possibilities To East

As on the upper levels, it is to the west where values are mostly found. This development to the East is most encouraging, and naturally creates great hopes of immense possibilities when the ore on the 100-foot level is opened up.

Many other known ore bodies which give excellent values on the surface will be developed at depth in due time.

In the spring, an exceptionally rich ore shoot will be mined from the surface by a glory hole at a very small expense.

This rich ore shoot was encountered when making a raise from the 100-foot level to the surface to make an ore pass for the ore from the dump. This body is in places, nearly 8 feet wide, and much visible gold is in evidence.

Two Years' Ore Ahead

Is it any wonder that the officials look forward to 1927 with every confidence? The rich ore recently broken in the stopes will soon be available for the mill, and in addition, more of this ore is broken daily than can be handled, thus adding to a reserve of broken ore.

It is estimated that there is at least, sufficient ore ahead to keep the mill operating to capacity for two years or more.

PROPERTIES REVERT

It is understood that the Eplett Metcalfe property in Mountbray, which was reported as in a deal for a large price and which was taken up by United Verde, has reverted to the owners.

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Gamble in Area Shares is on Survey Results

Huge Ore Bodies Indicated By Electrical Study of Ground

The sensational rise in the price of area shares during the past few days reveals one of the most interesting gambles that has taken place in the market in some considerable time.

The situation is this:

The Swedish Electrical survey has delimited ore bodies of a sensational character on the property. What these ore bodies are, no one knows. Diamond drilling is to proceed at once to find out.

The gamble that is being taken is that the ore zones will prove commercial copper bodies. If the guess is right, then the holders of the shares will make a lot of money. The stock may soar to unheard-of levels. If the drill results are unfavorable, someone is going to get hurt.

There is about 600,000 shares of Area available for public buying. The balance of the 1,400,000 shares outstanding is held by a group of several mining men.

The great bulk of the early buying of the shares came from the mining centres of the north. The general public was not heavy in the market until it got around 70 cents.

GRACE LAKE ON WISCONSIN SKEAD

New Company Has Taken Over Old Operation Idle 5 Years

The Grace Lake Gold Mines, Ltd., formerly the Wisconsin Skead Mines, Ltd., has resumed operation at the property in Skead Township. A. C. Oberg, mining engineer, of Duluth, Minn., is in charge of the development work and upon his return from the property has laid the plans for the development of the property before the board of directors at Spooner, Wisconsin, with the result that authority was given to go ahead. Theo. La Fond, mine superintendent, has been at the property repairing the buildings, making new roads and generally placing the property in operating condition. With the arrival recently of the Sullivan Compressor at the property it is expected that actual shaft sinking will be resumed about the first of January and that work on the shaft will be rapidly pushed from the present depth of 135 feet to the 500-foot level.

The work already done on the property has cost in excess of $200,000, and the results have been favorable. A. C. Oberg, said to be one of the outstanding engineers of the state of Minnesota, in a report dated June 19, 1926, has the following to say:

"Skead Mine is in a class by itself as far as surface showings and outcroppings are concerned. During the writer's recent trip, a number of properties were investigated, and none had indications on surface like those at the Skead Mine, yet they had ore in quantity at the 5, 6, 8 and 900-foot levels. As the formation is right, it is only necessary to operate in a way compatible with good mining practice to secure the desired results of ore in quantity and consequent returns on investment." Concluding his report, Mr. Oberg goes on to say:

"(a) Property is in a fine potential position on account of its location on what seems to be the best outcrops in the district. The fact that it has been dormant for five years has been a help to future work:

(1) On account of the starting of many new properties, operating in a small way, between Skead Mine and Larder Lake on the north and St. Anthony Lake on the south.

(2) Roads and general outside communication further advanced and not so costly.

(b) Buildings are now repaired and the same will soon be ready for service.

(c) Mining conditions are in a much healthier state than at any time during the past five years.

(d) The property is promising and should develop into a venture of importance, and management will be under competent mining talent.

(e) If proper support is furnished in a financial way, the operation will be a live issue from now on."

Funds for Grace Lake Gold Mines, Ltd. are being provided by the brokerage firm of Messrs. Wootton, DeVine & Co., Inc., 314 Mutual Life Bldg., Buffalo, N.Y.

The Grace Lake Gold Mines, Ltd., if ample finances can be obtained for development work, etc., seems to hold promise.

B.C. Operators Are Using Electrical Prospecting

Electrical prospecting has been successfully tried out in the Cariboo and Kootenay. Speaking under the auspices of the B.C. Chamber of Mines, John D. Galloway, provincial mineralogist, stated that electrical prospecting as a scientific method of determining possible mineral zones for development is rapidly passing the experimental stage and is becoming a useful aid in the search for virgin ore bodies. In certain areas it will probably definitely indicate ore bodies that otherwise would remain undiscovered for a long period of time.

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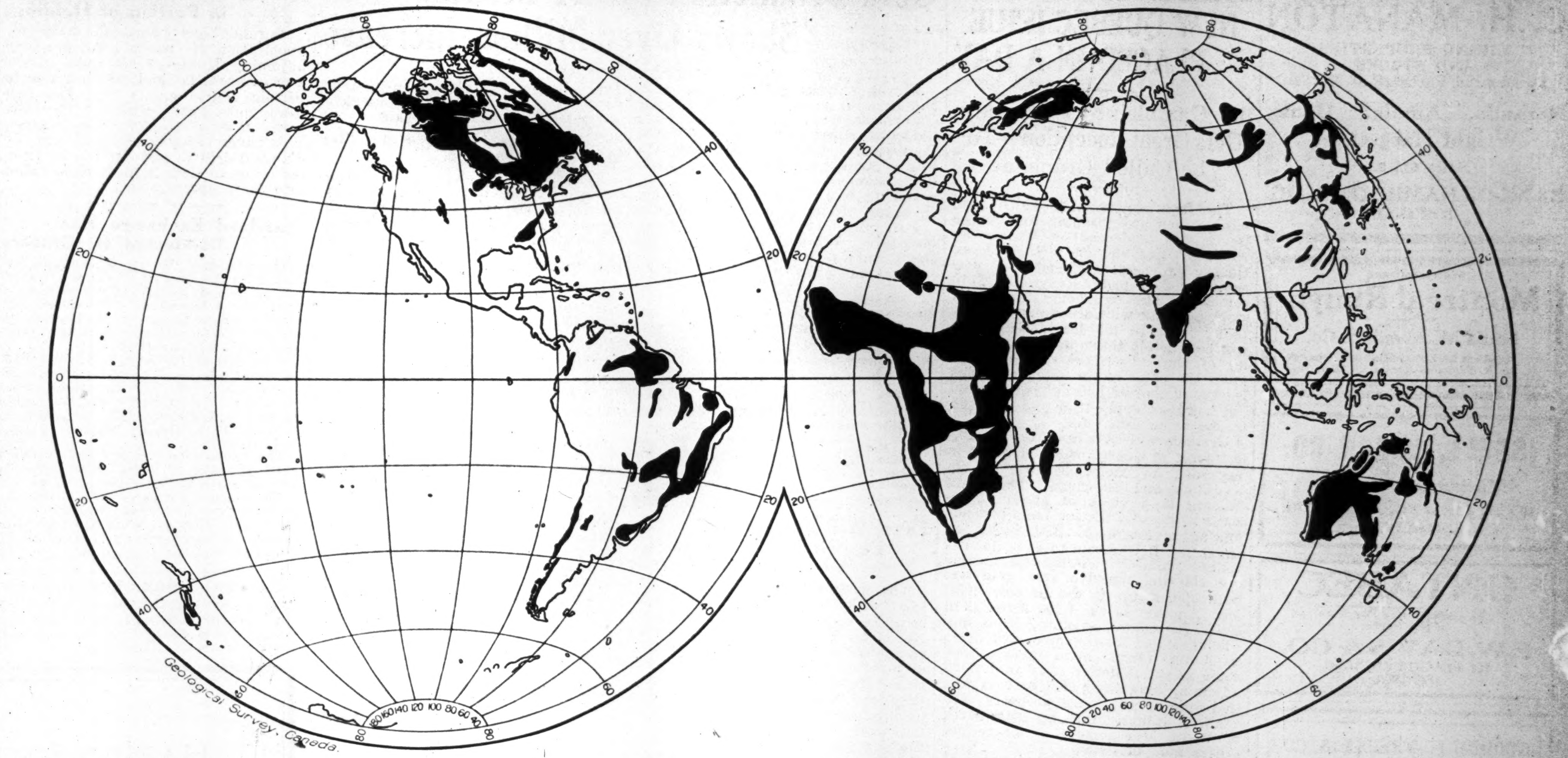
Canada's Pre-Cambrian and the Deposits Scattered Throughout the World



During the coming year the Pre-cambrian formation of Canada, which is the formation in which mineral deposits of Quebec, Ontario and Manitoba are found, promises to come to the forefront more than ever next year. In August of the New Year, mining men from throughout the empire will gather in Canada. Invitations have been sent to 15,000 located in 72 different countries. They will visit practically every mining camp in the precambrian and will also tour the main camps of British Columbia. It is believed that this congress will do more to sell Canadian mining to the mining people of England than any event yet staged or effort put forth. The session of the British Empire Mining Congress during the Wembley show, aroused some interest, but when the mining people come to Canada, visit the mines and see what really exists, it is believed they will get a tremendous eye-opener. One finds it difficult at times to convince residents in the older part of Canada that the mines of the north are such tremendous operations and possess such wonderful possibilities, so it is not to be wondered at that those residing in another hemisphere are a little skeptical.

BRITISH COPPER INTERESTS ARE OUT OF COPPER COMBINE

Copper Export Association Proposed Control of World Selling

From Our Own Correspondent

VANCOUVER.—The withdrawal of British interests from the international copper cartel may have important consequences upon the industry in British Columbia, but they are not likely to be serious. World demand is sure to overtake supply before long, with a consequent rise in price levels. Meanwhile copper operators here are taking heart from the present outlook and preparing for an era of unprecedented output.

The Copper Export Association tried to secure control of the world's copper output in order to maintain price stability and some time ago the United States and Belgian interests reached an agreement. The British Metal corporation, however, reached the conclusion that it was not in the best interests of British investors to stay in the combine, with the result that they withdrew, seriously upsetting the cartel's plans for world domination.

One result of this situation is that the market is again governed by the law of supply and demand rather than on artificial price bolstering. Industrial uses of copper, however, are steadily expanding. Increased utilization of substitutes or alloys alone can prevent the demand from getting ahead of supply.

The cartel was of considerable importance to the copper industry of this province, as British Columbia is the principal source of copper in Canada. Control of 90 per cent. of the world's copper was the aim of the cartel and the assumption was that two-thirds would be consumed in the United States, so that Canada would have been in an advantageous position for supplying the chief market.

Extenuate, Portland Canal is Making Fair Progress

Progress on work on the Extenuate group of claims is reported by the Portland Canal News. This group is owned by the company promoted by Grant Mahood, who has been spending a month at Stewart. He was in Seattle last week on his way east.

Camp buildings have been erected, work is well under way in No. 1 tunnel, the objective of which is to open up three crossveins which have been exposed by surface work. With the completion of present plans relative to No. 1 tunnel, No. 2 will be started, 200 feet in length which will take about ten months to complete. Under the direction of Howard Cameron, three distinct ore bodies have been opened up on the property by surface cuts and strippings, which enables the company to launch its programme of permanent development with a fair estimate of what may be expected under ground. The Extenuate is equipping the mine with telephone service to Stewart, connection being made with the Big Missouri line. Wm. Younkin is superintendent.

AMULET REPORT IS ABOUT READY

Rise in Price of Shares Has Been Discounting Good News Expected

An important feature about Amulet is the pending annual report. An effort to discount good news that it is expected to contain and the fact that the area Swedish Survey indicates big possibilities for Amulet, have been factors in sending this stock soaring.

It is believed that the Amulet report will be available the first of the year. It may or may not deal with the company's plans to put the property on a producing basis. It is believed, however, that if such an announcement is not contained in the report, it will shortly be forthcoming in an official statement.

Mining Companies in Alberta

Among the recent incorporations mentioned in the Alberta Gazette appears the Canada Western Development Co., capitalized at $200,000 for the purpose of carrying on a prospecting, mining and smelting business; also the Benderheim Brick Co., with a capital of $20,000. Both firms are to headquarter at Edmonton.

MINING GROWTH OF 1927 IS LIKELY TO BE SPECTACULAR

(Continued from page 17)

troubles and its 1927 production should be material. Tough-Oakes Burnside should do much better in the New Year, and it is believed that the year will not be very old before there will be some important developments announced in regard the Gull Lake section, and that part to the east around Conroyal.

Higher Porcupine Output

Coniaurum looks to stand in the limelight of Porcupine, but it is understood that Hollinger will achieve its goal during the year and set up the remarkable output of 8,000 tons daily. What will be doing on McIntyre is hard to tell. Vipond should get its new exploration program under way. In the other part of the camp, Dome is searching steadily for new ore. The three new mills to the south will get in the first real year's production and should boost the camp output. C. W. Dome has been doing a little better.

In the silvers the outlook is not too good because of the low price of silver. The market may come back, although there are many who do not look for any material improvement until near the end of 1927.

Smelters Played Santa to Its 5,000 Employees

The 5,000 employees of the Consolidated M. & S. Co., in British Columbia, at Christmas all received a present. Each married employee a turkey and each single man an order for $3 worth of merchandise at any store. The Consolidated is one of the very few companies with such a tremendous number on its payroll that plays the role of Santa each year.

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MILLION SHARES OF NEW QUEBEC ISSUE PLACED IN A DAY

Bob Gamble's New Company Gets Great Reception—To be Called Granada

The feverishness with which even mining men are grasping for Quebec issues was evidenced on Wednesday when Bob Gamble, one of the pioneer Quebec prospectors launched a new company "Granada Rouyn" and in something like five hours the initial stock offering with accompanying options, total in all 1,000,000 shares, was completely taken up. The majority of the subscribers did not even know the name of the company. The Dominion charter had not been issued but has been applied for and Granada is the name asked for.

Granada will have in all around 10,000 acres in Quebec, some of which is regarded as choice because of its locations and showings. The main holding is a block of about 5,000 acres south of Pelletier Lake and adjoining a Huronian Belt block on which Dr. Bell is said to have got excellent values. Some spectacular ore showing massive free gold has been opened up on the Gamble holding. Another block, 1,200 acres is in N. W. Boischatel, adjoining Nipissing, Coniagas and Towagamac; 200 acres adjoining Laval main group; 300 acres at the Pelletier Lake fault; 400 adjoining Bagamac; 200 east of and tied onto Osisko Lake property; 200 south of Rouyn Lake and 1,500 north of Waite Montgomery. There are others not yet listed.

The company will be capitalized at 5,000,000 shares of no par value. Vendors' shares are pooled indefinitely. Officers and directors have not yet been chosen but they will undoubtedly be chosen from the numerous mining men who have made application for the shares. Application to list the shares will be made soon.

Practically all the claims listed are among the 1922 stakings of Mr. Gamble, who was early in the Quebec field and who took up in all close to 50,000 acres. It is the intention to order a mining plant immediately for the Pelletier Lake property.

Corona Shares Met With Good Reception

Shares of Corona Mines, listed on the Standard Exchange this week, got an excellent reception. They immediately sold up to 36 and are holding firm around that level.

Corona's 800 acres are situated in the most interesting corner in Rouyn at the present moment, right near the Rouyn-Boischatel boundary line and because of the interest in Area and Amulet, the possibilities of this whole section have been brought into the limelight. There is no doubt, but what there is a wide break of lavas up through this section and the possibilities along the contacts of this, especially where cut to diabase dykes, are great.

Test Out Cryderman Group With 5,000 Ft. of Drilling

Mining Corporation of Canada has placed a contract for 5,000 ft. of diamond drilling on Cryderman property, Central Manitoba. It will proceed at once. The company hopes in this way to test out the two strong veins on the property at depth. Lateral work on the 250 ft. level did not show consistent ore, the values being patchy, but extremely high.

P. G. D. & F. SHIPS ORE

About 100 tons of ore are being shipped from the Stemwinder mine, Kimberley, B. C., operated by the Porcupine Goldfields Development & Finance Company.

A SECOND SILVER SHOOT

Enright Mines, operating in Elk Lake area, has encountered another silver shoot, which gives the company ore on two levels, 100 and 200.

VICTORIA SYNDICATE OPTION

Following the option taken on the Paradise mine, Windermere district, B. C., by the Victoria Syndicate, a compressor was installed and further development work will be vigorously proceeded with.

Duprat Area

Do you consider Duprat and area good speculations at present levels?

Both these stocks have had a material rise during the recent bull markets. Whether or not they are at the top or ore selling too high, is anyone's guess. Both are regarded as having merit as speculations.

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Gold Production for 11 Months Shows Over Million Increase

Eleven months gold production of Northern Ontario, as estimated by Ontario Department of Mines, leads the same period of 1925 by $1,300,000. Porcupine is down a little, but the loss is more than made up by Kirkland Lake.

During November producing mines in order of ouput were as follows:

Porcupine (7)—Hollinger, Dome, McIntyre, Vipond, Ankerite, West Dome Lake and Paymaster.

Kirkland Lake (7)—Lake Shore, Teck-Hughes, Wright-Hargreaves, Kirkland Lake Gold, Tough-Oakes, Barry-Hollinger and Argonaut.

Miscellaneous (3)—Goudreau, Blue Quartz and Champion.

Receipts of crude gold bullion from Ontario at the Royal Mint, Ottawa, for November, totalled 141,847 crude ounces, containing 108,733 fine ounces of gold and 18,402 fine ounces of silver, having a total value of $2,257,469. The figures:

Area		November 1926	November 1925	First 11 months 1926	First 11 months 1925	1925 (12 mos.)
Porcupine	tons	272,121	242,797	2,908,132	2,715,673	3,016,178
Value	$	1,909,735	1,874,809	22,010,516	22,258,403	24,886,615
Kirkland Lake	tons	51,331	35,212	461,117	344,772	383,235
Value	$	643,573	459,353	6,484,956	4,949,453	5,403,289
Miscellaneous	tons	....	110	464	110	131
Value	$	....	2,114	4,667	2,114	5,641
Total	tons	323,452	278,119	3,369,713	3,060,576	3,399,544
Total Value	$	2,553,308	2,336,276	28,500,139	27,209,970	30,295,545

MONTHLY RECORD OF OUTPUT 1925-1926

Month	1925 Porcupine	1925 Kirkland Lake	1926 Porcupine	1926 Kirkland Lake
Jan.-Sept.	$18,489,943	$4,029,951	$18,019,550	$5,174,014
October	1,893,651	459,674	2,081,231	634,254
November	1,874,809	459,353	1,909,735	643,573

Laval Will Employ Electrical Survey and Diamond Drill at Once

The electrical survey which is to be followed by diamond drilling will soon be under way on the Laval group near Noranda. While the officials of the company are somewhat reticent in discussing what is expected from these operations, it is believed that they are highly optimistic as they have expressed the greatest satisfaction over the results obtained during the summer by the geological study of the property undertaken under the direction of John Reid, M.E. It is understood that a highly attractive looking gabbro dyke has been opened up for 2,000 ft.

BOOM IN QUEBEC STOCKS MAY GO ON INDEFINITELY

(Continued from page 17)

and south is an extension of the Horne break.

The same effort that has been put forth on Amulet and Area, is now going on at Duprat and will also be carried on immediately at Laval and Osisko. Others are contemplating either Swedish Electrical survey or diamond drilling, so that it would look as if the winter was going to be marked by an extensive underground prospecting by diamond drill. All these shares and many others have featured in the market.

Laval shares have sold up to 42. The company has spent the summer carrying on an agressive study of surface and will immediately launch a survey on the most interesting sections. This will doubtless centre along a 2,000-ft. break which has been traced across the property which lies in close proximity to Noranda's holdings. It is believed that early in January the drills will be busy on the property.

Duprat is conducting a Swedish survey and is expected to follow this with diamond drilling. In the corner of Boischatel, Rouyn, Duprat and Desserat Tps., there will be a tremendous activity. Vickers which straddles the line of two of the townships is focusing its full effort on this group. Ribago is also driving ahead. It is understood that the engineer of U. S. Smelting, which recently took over an adjoining group will be on the job early in the new year. Corona will likely put on a Swedish survey while it is rumored that Boischatel Mines will endeavor to secure the Kelley machine which a year or so did such excellent work on Noranda and was engaged in Red Lake this summer. Grover Daley, McDougal-Cassels, Stadacona and others are interested.

Not much has been heard further about Nippising but it is interesting to note that Mining Corporation has taken over very large holdings in Mountbray and will likely test these out by one of the electrical survey methods. Mountbray country is rough and very hard to prospect. There is quite a deep overburden.

Nothing much has been made public in regard the Harvie Mining operation to the east in Clericy Township. It is about the only large operation in the section and the conservative policy of Dr. Robert Harvie has been to produce definite results before making information public. However, it is believed that news of some spectacular results is pending and may soon be made public. It is known that in Quebec the operation is regarded as one of the most important in the N. W. part of the province and it is believed that the time is not far distant when it will rank next to Noranda in the size of the operation.

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NEW PLANT READY DURING JANUARY

Gold Hill President Says Plans for Mill Are Under Way

Pres. D. H. Angus, of Gold Hill Mines, Boston Creek, says it will be some time next month before he will be in a position to switch the mine over from the old mining plant to the new. When this is done it will be marked by the sinking of the shaft another 200 ft. and the undertaking of quite an extensive lateral work on this level.

Plans for the 100 ton mill which Gold Hill will erect this winter are about completed. They are being prepared by a Porcupine mill superintendent and metallurgically the mill will be on the same level as that of the Dome with some slight improvements.

Meanwhile work on the 800-ft. level of Gold Hill is going ahead and Mr. Angus says that the drift east is now looking particularly attractive.

Noranda Takes Stock in Osisko for Interest in Portion of Holdings

Noranda has paved the way for exploration of Osisko Lake property adjoining Horne of Noranda on the east. Noranda had an interest in certain claims and a deal has just been consumated whereby Noranda takes Osisko stock for its interest. This paves the way for work and the diamond drill to test out Osisko from the ice on the lake is likely to be taken into the property soon.

Standard Exchange Has Re-elected Its Officers

The Standard Mining Exchange (Toronto) for the first time in several years, has re-elected its officials by acclamation. The nominations were closed last Friday, and, as there were no new names offered, the old officials will be continued in office for another year.

They are as follows: F. J. Crawford, president; N. C. Urquhart, first vice-president; F. M. Lorsch, second vice-president; Draper Dobie, secretary; Directors: J. T. Eastwood, D. G. Lorsch, L. J. West, H. L. Gibson, Malcolm Stobie, A. L. Hudson.

The annual meeting is not to be held until January 8, when these officials will be confirmed in their positions.

The Exchange expects to be in its new quarters on Richmond Street west a week from Monday, when the accommodation for members and clients will be found all that can be desired.

SUSPEND WORK ON W. J. NINE

Huronian Belt operations on W. J. Nine group, Gowganda, have been suspended for a time. Further work may not be tackled until spring.

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Year Brought West Prosperity; Winnipeg is Full of Optimism

Industrialization of Prairies Proceeds Apace — Agriculture Now in Much Improved Condition — All Factors Show How Conditions Have Improved

By R. G. PERSSE,
President, Winnipeg Board of Trade.

EVEN the optimists have been surprised. The splendid progress made by Western Canada during 1926 exceeded the hopes of many of those best able to judge what could be expected during that period. With a vigor and confidence characteristic of the West of other days we have moved forward at a pace which brings to mind the pre-war days of progress which preceded the boom period, with the exception that there is general recognition of the importance of steady progress and the danger of inflation. This progress added to the responsibilities and opportunities of our organization, which I am glad to report, have been promptly accepted.

First and foremost among the factors which have produced these great improvements in Western Canada, has been the good crop raised by our western farmer. Taking the crop as a whole it will be almost equal in value to that of the 1925 crop. It is estimated that the value of our wheat crop will be approximately $400,000,000, an increase of $25,000,000 over 1925. Our coarse grain crop is estimated to produce $176,000,000. These figures show our total 1926 crop at a value of $575,000,000. The 1912 crop was valued at $191,000,000. The increase during the past 14 years is stupendous.

Another Wheat Crown Won

Once again Western Canada has demonstrated its superiority in the agricultural world. Herman Trelle, who won the world's championship for both wheat and oats at the Chicago International Exposition is the 14th Western Canadian to win the wheat championship in the past 16 years. Among other spectacular achievments of our western farmers was the winning of the world's championship for cauliflowers by a Greater Winnipeg market gardener.

The gradual transformation which the west is witnessing as our farmers turn to mixed farming as a profitable substitute for wheat farming has produced some spectacular results. Up to 1914 the province of Manitoba imported butter for domestic requirements. In 1926 over 300 car loads of butter were exported. Until quite recently the production of honey was unheard of. The 1926 production will bring $700,000 into the pockets of our bee keepers. In the dairying field our farmers have made great progress. In 1925 at the larger exhibitions held in Canada 91 per cent. of the prizes for butter were awarded to the three prairie provinces. This year our dairymen have been very successful. Shoal Lake, Manitoba, Creamery took first place at Toronto in the creamery butter contest with a percentage of 97.9. 60 per cent. of the awards for dairy produce at the Victoria Exhibition were won by Manitoba farmers, and this province won twice as many prizes for butter making exhibits as any other province during 1926.

Better Immigration Figures

For several years it has been the opinion of leading Canadians that the great solution for many of our national problems was increased immigration. The year 1926 has gone a long way towards a betterment in this respect. The latest figures available show that immigration for the first nine months of the year totalled 113,000 as compared with 68,000 for the corresponding period of 1925. The past twelve months has witnessed the development of numerous colonization plans by governments, railroads and other organizations. These plans are reaching a point where they will have a beneficial effect on immigration figures, and Col. J. S. Dennis, chief of the Colonization and Development Department of the Canadian Pacific Railway is authority for the prediction that if those plans mature 1927 will be a 200,000 immigration year.

Settlers Go On Land

It is one thing to receive immigrants and quite another thing to get the right kind of immigration. Fortunately this has been watched closely during the past year and practically all of the immigrants have gone on the land. It is particularly interesting to notice the large numbers of United States farmers who are coming to this western country, well equipped both in agricultural knowledge and in farm equipment, to help in the agricultural development of our country. We also welcome the settlers who are making such a good showing under the Overseas Settlement Board Plan. Their record has been a successful one and in this connection it is to be noted that in the opinion of Lord Clarendon, who recently visited the west on behalf of the Overseas Settlement Board, "It is a striking fact that inexperienced families, provided they are imbued with the right spirit, succeed just as well as experienced families."

Another encouraging feature of immigration statistics is the fact that approximately 15,000 Canadians who had intended to make their home in the United States have returned to Canada this year. They apparently agree with the warning recently issued by Sir Henry Thornton when he stated, "If I have a message for young Canadians who have left Canada it is this, come back now before it is too late."

Farm Land Sales Larger

Further proof of agricultural improvement is shown in the farm land sales reported by the Hudson's Bay Company for the first nine months of 1926 totalling 192,000 acres as compared with 99,000 acres in the corresponding period of 1925. Companies represented in the Dominion Mortgage Loans Association have increased their investments in western Canada from $37,000,000 in 1906 to $365,000,000 in 1926

Taken as a whole agriculture is on the up-grade. There is also a better feeling prevailing between the rural and urban population.

As a natural result of better farming conditions and the increase in immigration, building construction has been active during 1926. Winnipeg has led the prairie provinces in value of building construction, but all western cities have reported great inincreases in the value of buildings erected as compared with 1925. The latest figures available show building commenced in the prairie provinces for the ten months to October 31st to be valued at $42,000,000 as compared with $20,000,000 for the corresponding period of 1925. An encouraging feature of building activity is the gradual lengthening of the building season. Winter building is now quite common although a few years ago the building season ended on or about October 31.

Use of Western Stone

Accompanying the great activity in building there has been noteworthy improvement in the sale of western building material. Manitoba (Tyndall) stone has found a marked superiority in both appearance and durability assures it an important place among the industries of the west. In Winnipeg, tapestry brick made locally is competing effectively with imported brick. The loyalty of western builders to local products is growing and the construction of the Hudson's Bay Company $5,000,000 store at Winnipeg from practically 100 per cent. local products has encouraged the building products producers to still greater activity.

The steady improvement in industry, commerce and agriculture is reflected in better employment conditions. On November 1st Winnipeg led all Canada with the exception of Hamilton in increased employment over 1925.

Activity in Mining Areas

The past year has been a period of marked activities in the mineral areas of central and northern Manitoba. Financiers from Eastern Canada, the United States and Great Britain have entered these fields and much money is being expended in development work. The outstanding development in the Central Manitoba field is that being carried on by the Central Manitoba Mines Limited, a company made up of prominent British, Canadian and American financiers, and mining engineers. The British interests in this company are headed by the well known firm of John Taylor & Sons. This company recently sold an issue of one million dollars of stock to the public for development purposes, and by October 1927 a mill, operated by power secured from Great Falls, will be at work. This development is indicative of the general progress being made towards making Manitoba a permanent partner in Canada's mining industry.

Developments in Northern Manitoba are centered around the Flin Flon properties. This winter machinery and supplies are being taken in with a view to putting into operation a test mill, and if this mill produces the results expected of it, Northern Manitoba will see the creation of a mining town with a population of from five to ten thousand people in the near future.

The decision of Noah Timmins, the Canadian mining magnate, to invest in the Central Manitoba mining area may be considered as proof of the growing importance of this district.

During the year many new mineral discoveries were reported among which were important lithium deposits in the Lac Du Bonnet area. These deposits are being developed and shipments will be sent to England at an early date. Diamond drilling is proceeding or contemplated on a number of properties in both the central and northern area.

Transportation Into Field

Considerable progress has been made in providing suitable transportation into both the central Manitoba mining area and the northern Manitoba area. The Manitoba government has passed legislation providing for the guarantee of bonds for the construction of railroads into these two areas. Surveys have been made by the railroad companies but no announcement has yet been made as to their decision. During the year the summer and winter roads into the Central Manitoba area have been improved and during 1927 still further improvements will be made.

During the summer, arrangements were made for a survey of the oil lands included in the Hudson's Bay Company holdings in western Canada. This survey has been placed in the hands of competent geologists headed by Glen M. Ruby.

The decision of the Dominion Government to proceed with the completion of the Hudson's Bay Railway brings us nearer to the opening up of a new area, and if general impressions prove correct, the development of the mineral and timber areas adjacent to the railway will bring much added wealth to the province of Manitoba and to the city of Winnipeg.

The two main avenues of new development in Greater Winnipeg which featured 1926 have been tourist traffic and industrial development. Some 110,000 tourists—a record number—visited Winnipeg and left in our city over $7,000,000.

Industrial development has played a tremendous part in Greater Winnipeg's progress. During 1926, 30 new industries have commenced operations and 32 existing plants have enlarged their activities.

The outstanding manufacturing development has been the construction of the Manitoba Pulp and Paper Company's 125 ton mill, 90 miles from Winnipeg, the operations of which will commence in January.

Another comparatively new industry is the fox farming industry. There are to-day in Manitoba 5,000 foxes on fox farms, and the industry represents an investment of $2,000,000.00. In this, as in other directions we lead. At the Vancouver International Live Fox Exhibition held recently Manitoba won the grand championship and 36 other awards.

One of our little known industries is the fishing industry which produced $1,200,000 for the prairie provinces in 1925 and will produce $1,900,000 this year. Practically all of this business is handled through Winnipeg.

Many Factories Now

Industrialization of the west is proceeding rapidly and the facts that Manitoba now has more urban population than any other province in Canada, except Ontario and Quebec, Winnipeg has 1,200 plants with an annual payroll of $30,000,000 are definite proofs of the change that is taking place. Manufactured products of the prairie provinces, the greater portion which are produced in Manitoba will total $230,000,000 this year

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STANLEY BRUCE

(Continued from page 1)

and, in order to carry on government, it became necessary to effect a coalition between the Nationalists and the comparatively young Country party. The Country party would not consent to the leadership of Mr. Hughes, and after negotiations, Mr. Bruce was chosen as leader of a united government.

Prime Minister at 38

He was thus 38 when he became prime minister. As a comparatively unknown and untried leader, his tenure of office was at first uncertain, but his record at the Imperial Conference of 1923, followed up by two years of sane, resourceful and courageous leadership, strengthened his position very greatly. At the election of November, 1925, the Coalition government obtained an unprecedented majority.

This general election exhibited to the people of Australia for the first time one of the outstanding qualities of the man, his dynamic personality and untiring energy. A member of the Australian delegation in London told me he carried the campaign into every part of Australia, including many places where no prime minister had ever gone before. During the Imperial Conference he addressed twice as many meetings as any other prime minster and not content with that, remained a month after the others, and toured England and Scotland urging on every possible occasion that the British Empire should ensure the organized utilization of its unrivalled resources.

Gains From Business Training

In addition to this, he contributed carefully written articles to December issues of "The Nineteenth Century" and the "English Review" and other publications.

It has of course, been necessary for him to keep in touch with his home government in Australia and cables have passed back and forth almost daily.

How does he do it? I believe he has learned through his business training to multiply himself in a variety of ways. He understands the value of publicity and how to get it. His speeches are always well reported and his movements given much prominence. This is due not to any generous attitude on the part of the press, but to the fact that he is always "news." He speaks not merely to the audience in front of him but to the nation or the world at large. It is because his message has this wide interest that the press give him so much space. He has a competent staff of trained experts. He knows how to pick, train and use men. In one of his speeches he said: "I came out of business and in the natural course I shall go back to business." He has often declared his preference for the methods of business over the methods of politics. They told me in London he had improved greatly in his manner of speaking since the previous conference, but he still strikes one as the business man in politics preaching the gospel of business efficiency.

He is at all times outspoken and frank. At the Chamber of Shipping luncheon in London, he was introduced as the principal speaker by Rt. Hon. Walter Runciman, the chairman and president of the chamber. Mr. Bruce told these shipping men that their president had recently criticized him for establishing a fast line of steamers between Australia and Great Britain. He desired to state then and there that he did not favor public ownership, but Australia had to have a fast service and if the private companies did not give it, they would do it themselves. There was no sugarcoating of the pill. He believed they had fallen down on their job and without any beating about the bush he told them so, even though he was their guest. It would have been easier to have confined his remarks to a few pleasantries and generalities but that is not his way.

Australia's Problems Like Ours

Australia has many problems similar to those of Canada. One of the most important of these is that of migration. The main act of the Bruce government in this field was the creation last July of the Development and Migration Commission—a board of four distinguished experts who are to act as advisers to the Commonwealth Government on the development schemes to be established with British loan money for the absorption of migration. The function of the commission extends, however, considerably beyond immediate problems of settlement. Its duty is to co-ordinate the whole economic development of the country and to speed up its pace. Mr. Bruce could give us some very interesting information on this phase of their work.

Other steps along the general line of the government's policy are:

(1) The establishment of a council for scientific and industrial research to co-ordinate and extend the research work of the Commonwealth on a basis of a grant of £350,000, of which £100,000 is set apart for the training of research workers.

(2) The Northern Territory Act, which divides the territory into two sections, and places the northern one under the control of a statutory commission charged with the function of administration and development.

(3) The resolution to send an industrial mission representing employers and employees to America to study industrial and commercial processes and the relations between employers and employed in that country.

Suggested Empire Marketing Board

He has made some very practical suggestions such as the Economic Committee and the Empire Marketing Board which can carry on effective work and from which Canada can benefit greatly if we are represented by men who have not only a knowledge of what we have to sell, but how it can be sold. We have been very apathetic on the possibilities of inter-Imperial trade and the visit of Premier Bruce and the addresses he will make should do much to rouse business men to the tremendous opportunities which we have within our grasp if we will only reach out for them.

It is to be hoped Mr. Bruce will feel free to discuss frankly and fully questions of inter-Imperial trade and and empire development. He is no mere flag waver, but believes that each component part will benefit by improved methods of production, of marketing, by scientific research and its intelligent application to our problems of agriculture and industry, and that, above all, greater co-operation will put each of the commonwealths in a better position to stand up against competition which is developing with foreign countries.

Metropolitan Life Will Hold Three Big Conventions

Plans have been completed by the Metropolitan Life Insurance Company for the first three of the Canadian triennial conventions which are now taking place on this continent. These will be at Winnipeg on January 6, at Calgary on January 8 and at Vancouver on January 11. In each instance the conferences will be attended by over one hundred field representatives, executives and company officials. The sessions during the day will deal with the problems of the field staff and local offices and in the evening there will be a banquet, attended by all participating in the convention and by many distinguished citizens.

Due to his advancing years, Haley Fiske, president of the Metropolitan Life, has found it impossible to attend these conventions, which have always interested him so greatly, but his son, A. F. C. Fiske, third vice-president and manager for Canada, will be present at all of them Mr. Fiske will be accompanied by Henry E. North, assistant secretary and in charge of Canadian field organization; Dr. John N. Coolidge, assistant medical director, Canadian head office; Miss Alice Ahern, in charge of the company's free nursing service in Canada, and A. G. Bradley, manager, publicity division, Canadian head office.

Canadian National Earnings Make Record

From Our Own Correspondent

MONTREAL.—One of the best indications of the level of business which prevails in the Dominion is the earning power of the Canadian National Railway. For the eleven-month period ending November 30, the railway had the largest net earnings in its history, a total of $41,451,628. Both the gross and the net during the period were the largest yet recorded.

The net earnings are $9,187,213 more than the total net of the 1925 year. The operating ratio is also down and for the first eleven months has been reduced to 82.93 per cent., as compared with 87.83 per cent. during the first eleven months of 1925. The earnings for the full year will be the best yet recorded.

The net earnings of the C. N. R. during the current year compare as follows with 1925::

	1926	1925
January	$ 1,637,642	$ 272,803
February	1,308,401	611,724
March	4,191,845	1,635,723
April	2,551,330	1,254,532
May	3,226,365	399,940
June	1,941,078	432,376
July	2,680,337	1,924,941
August	3,291,077	2,718,405
September	4,915,259	3,940,071
October	8,317,458	8,159,958
November	7,390,835	6,430,484
Eleven months ...	$41,451,628	$26,916,205

Messrs.
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Montreal Stock Exchange
announce that
MR. J. G. R. SHUTER
has been admitted
into partnership
160 ST. JAMES STREET

The Royal Bank of Canada

General Statement 30th November, 1926

LIABILITIES

Capital Stock Paid up		$24,400,000.00
Reserve Fund	$24,400,000.00	
Balance of Profits carried forward	1,409,674.58	
	$25,809,674.58	
Dividends Unclaimed	13,142.66	
Dividend No. 157 (at 12% per annum), payable 1st December, 1926	732,000.00	
Bonus of 2%, payable 1st December, 1926	488,000.00	
		27,042,817.24
		$51,442,817.24
Deposits not bearing interest	$161,170,458.50	
Deposits bearing interest, including interest accrued to date of Statement	451,689,830.13	
Total Deposits	$612,860,288.63	
Notes of the Bank in circulation	39,171,262.94	
Balances due to other Banks in Canada	1,390,944.68	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	16,764,934.43	
Bills Payable	6,103,180.05	
Liabilities not included in the foregoing	40,666.64	
		676,331,277.37
Letters of Credit Outstanding		38,602,848.65
		$766,376,943.26

ASSETS

Gold and Subsidiary Coin on hand	$21,604,504.74		
Gold deposited in Central Gold Reserves	8,400,000.00		
		$30,004,504.74	
Dominion Notes on hand	$33,401,580.50		
Dominion Notes deposited in Central Gold Reserves	9,600,000.00		
		43,001,580.50	
United States and other Foreign Currencies		26,862,177.19	
		$99,868,262.43	
Notes of other Canadian Banks		3,705,579.55	
Cheques on other Banks		27,214,300.90	
Balances due by Banks and Banking Correspondents elsewhere than in Canada		26,779,991.26	
Dominion and Provincial Government Securities, (not exceeding market value)		64,733,057.88	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, (not exceeding market value)		26,880,492.34	
Railway and other Bonds, Debentures and Stocks (not exceeding market value)		16,380,953.48	
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover		29,719,561.79	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover		71,997,883.89	
			$367,280,083.52
Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		$197,759,230.24	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		138,384,822.96	
Non-Current Loans, estimated loss provided for		2,583,639.41	
			338,727,692.61
Bank Premises at not more than cost, less amounts written off			14,401,556.21
Real Estate other than Bank Premises			2,141,979.64
Mortgages on Real Estate sold by the Bank			1,387,555.48
Liabilities of Customers under Letters of Credit as per contra			38,602,848.65
Shares of and Loans to Controlled Companies			2,047,372.21
Deposit with the Minister for the purposes of the Circulation Fund			1,245,000.00
Other Assets not included in the foregoing			542,854.94
			$766,376,943.26

NOTE:—The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris. As the entire capital stock of The Royal Bank of Canada (France) is owned by The Royal Bank of Canada, the assets and liabilities of the former are included in the above General Statement.

H. S. HOLT,
President

C. E. NEILL,
General Manager

AUDITORS' CERTIFICATE

TO THE SHAREHOLDERS, THE ROYAL BANK OF CANADA:

We have examined the above statement of Liabilities and Assets at 30th November, 1926, with the books and accounts of The Royal Bank of Canada at Head Office and with the certified returns from the branches. We have verified the cash and securities at Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at several of the important branches.

We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank. The above statement is in our opinion properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1926, and it is as shown by the books of the Bank.

A. B. BRODIE, C.A.,
of Price, Waterhouse & Co
JAS. G. ROSS, C.A.,
of P. S. Ross & Sons.
} Auditors.

Montreal, Canada, 27th December, 1926.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th November, 1925	$ 1,249,435.32	
Profits for the year, after deducting charges of management, accrued interest on deposits, full provision for all bad and doubtful debts and rebate of interest on unmatured bills	4,516,239.26	
		$ 5,765,674.58
APPROPRIATED AS FOLLOWS:		
Dividends Nos. 154, 155, 156 and 157 at 12% per annum	$ 2,928,000.00	
Bonus of 2% to Shareholders	488,000.00	
Transferred to Officers' Pension Fund	100,000.00	
Appropriation for Bank Premises	400,000.00	
Reserve for Dominion Government Taxes, including Tax on Bank Note Circulation	440,000.00	
Balance of Profit and Loss carried forward	1,409,674.58	
		$ 5,765,674.58

H. S. HOLT,
President

C. E. NEILL,
General Manager.

Montreal, 27th December, 1926

Putting "Back to Farm" Movement on Scientific Basis, is Recommended

Far-reaching changes in Canadian agricultural methods are predicted by the Manitoba professors who recently finished a survey of the unused agricultural lands of that province. H. C. Grant and R. W. Murchie who have been conducting the investigation, are not only agricultural experts, but are professors of economics at the Manitoba Agricultural College. These two men constitute a commission which was appointed by the Provincial government to make a survey of unoccupied lands in Manitoba. Their investigation was not only to find the reason for the abandonment of the farms, but to discover why 4,559,000 acres are still unused and to determine whether or not more people could be settled in Manitoba.

The report as presented informally in Winnipeg, is divided into two parts. The first part, which is submitted by Professor Grant, deals with the abandoned land problem and the economic reason for unoccupied lands. Professor Murchie, who is responsible for the second part, deals with the problems of land settlement. The report involved correspondence with over 3,000 owners, and is to be used as a basis for a provincial immigration policy.

Price Drop Hits Farmers

Professor Grant bases his report on a historical sketch of the agricultural industry, and shows the price level over a number of years. He points out that the economic consequences of the war, thrust upon agriculture a burden which still bears heavily on the great food producing industries of all countries.

Had the fall in farm produce prices borne any reasonable relation to the price of commodities the farmer buys, agriculture would have probably adjusted itself on individual farms in a satisfactory way to meet the crisis.

However, with the purchasing power of the farmer's dollar, 15 to 20 per cent. below the previous value, and production costs increased, a general and far-reaching depression could not be avoided. No industry, least of all farming, could meet such a sudden collapse in prices, without serious consequences.

Better Off Than Americans

Although price relationships are very difficult to compare, Canada seems to have been in a better relative position during the depression, than the American farmer. For one thing, Canadian farm crop prices during the war years, were relatively higher over their pre-war level than were those of the United States.

"Furthermore," said Professor Grant, "With respect to the cost of production the Canadian farmer is more favorably situated than his neighbor to the south, mainly on account of higher yields per acre. The following table shows the comparative costs of production of wheat in Manitoba and the states to the south.

COST OF PRODUCING WHEAT

	Net cost per acre	Yield per acre	Cost per bu.
North Dakota and Minnesota			
1913	8.44	7.65	.72
1923	10.76	10.03	1.20
Manitoba			
1913	7.65	19.2	.40
1923	10.03	12.3	.81

"These costs do not include the rent of land. If interest for money invested in land were considered, the Manitoba farmer would be still better off than the Dakota farmer, for the charges in this connection are about $1.00 per acre lower than in the states to the south.

Many Farms Abandoned

"Just what the effect of the recent depression was with respect to abandonment of farms is hard to say. In Manitoba, 7.7 per cent. of the unused land was once farmed. How many of the farms now occupied were abandoned at one time during the depression, no one actually knows.

"What can be safely said is that much, if not most, of the abandoned farm lands is in disuse on account of the recently decidedly unfavorable price level of farm products. During 1922, it is estimated by the United States department of agriculture, 1,120,000 persons left the farms for the cities.

"What is the situation to-day? There is no doubt that we are on the up grade with respect to agricultural prosperity. Prominent economists who have studied the 'cyclical movement' intimate that the peak of agricultural prosperity will be reached in the immediate years following 1930. This is a hopeful outlook. We should realize, however, that there are always dangers in a period of prosperity that an industry will expand bepond the margins of economist production. During years of favorable price levels settlers go on lands considerably inferior to the best that is cultivated. With rising prices they can maintain, at least, some show of successful farming.

Why They Leave Farms

"Unfortunately, in a period of rising prices producers grow crops which demand the least amount of labor, such as cereals, while dairy produce and other forms of livestock do not usually expand until later years of an era of prosperity. As a result, if there comes a depression such as happened after the war, agriculture is out of balance and the people on the less fertile soil are not only growing crops which are now low in price, but crops which yield poorly on their farms. Some of those who have saved during a time of prosperity can use their surplus capital to go into mixed farming, but, unfortunately, a vast majority of them have not the means to acquire cattle, and as a result they leave the sub-marginal lands and seek other fields of employment.

"This brings us up to the problem of how we are to settle these lands that are unused, so that the farmer who occupies them will be of the right type to maintain permanent settlement, and how we are to lead him in the practising of a type of agriculture which will make for permanent settlement."

Murchie on Land Settlement

Professor Murchie, in his report, deals with the problems of land settlement, and points out the need for definite co-operation between governments and settlers, in the sale and settlement of land.

"The governments in general have adopted the "laissez-faire" policy, content to let the individual work out his own salvation. But we have seen in the period that we have just passed through that much of the land that was brought into use under this policy has been sub-marginal land and much of the same type of land has been sold to unsuspecting, uninformed buyers who never could make good on such land. We have also seen in the same period that while we stood by as disinterested spectators, interested individuals carried out policies of their own making, while we have been called on to foot the bill. I mean this—settlers have been allowed to go into areas which were not productive enough to give them returns adequate to support modern institutions, such as the school, and when they were unable to keep these institutions going the provincial government has been required to step in and assist in their support.

Abolish "Laissez-Faire" Policy

"In short, we are all coming to the conclusion that the "laissez-faire" policy must give way to one of directed settlement of selected settlers.

"This is no simple matter for it demands that there be placed in the hands of some responsible, competent body the authority to direct the time, the rate, the order and the manner in which new land shall be brought into use, and further, it demands the classification of lands to determine what is their most economic use—be it forest, grazing land, or plow land.

"This has already been attempted in other places and the Dominion government has made a start with a classification of 27,000,000 acres of land along the northern edge of the settled portions of the prairie provinces.

"Alberta has a survey going on, similar to our own, although it was later in starting.

"In our own survey, we obtained information regarding the soil and economic conditions throughout the province, and we have compiled considerable information regarding social organizations and social institutions, without which successful settlement is impossible. We are convinced that the existence of these is not only necessary for economic and social welfare of the community, but that they are a sure indication of the prosperity of any district.

Is Now Very Hopeful

"Our investigations would lead us to believe that the most of the decreases that have occurred, are a passing phase, and that with the proper handling, prosperity and greater population will again be seen. It may mean drastic changes in the methods of farming, it may mean temporary government assistance, and it will certainly mean that such attempts as are made to re-populate the abandoned lands will have to be as we have already indicated, carefully directed and controlled by responsible parties, for only by such means can we avoid a repetition of the errors, costly to both the individual settlers and the province at large.

'That we have a considerable amount of land capable of being economically developed at the present time is certainly true, but the success of the settler will depend upon not only the successful policies of assisted settlement, but upon the intelligent and active co-operation of those who are interested in the sale of land, of the provincial department of agriculture and immigration and of the local authorities in whose interest it is that these unused lands should be developed. Just what form this co-operation should take is not for us to say, but without this co-operation we are liable to make the same mistakes as have been made before and so lose human resources and natural resources that we cannot afford to lose."

Barry Hayes Heads Toronto Municipal Research Bureau

A special meeting of the council of the Bureau of Municipal Research was held to fill the vacancies caused by the death of the president, John Macdonald. Walter J. Barr, who had been vice-president, was elected to the presidency, and G. A. Macpherson was elected to the vacant vice-presidency; G. Harold Muntz moving from the junior to the senior vice-presidency. F. Barry Hayes was elected chairman of the council and finance committee, on which the following members were appointed: G. H. Muntz, G. A. Macpherson, C. E. Edmonds, Thomas Rogers and Robert Parker.

Letters to the Editor

Optimistic on Textiles

December 22nd, 1926.

Editor,
The Financial Post.

Dear Sir:

I was rather surprised at the most skeptical report in your edition of December 17th, in reference to textiles. Over 7 per cent. of your reports in that edition have not an ounce of facts attached to them any more than hear-say and propaganda. Your reports in reference to the Boot and Shoe business were very discouraging, yet the Boot and Shoe business had the best year in their history with the exception of 1912.

Other papers are very optimistic and bring out facts which I consider facts. The textile business is in a very healthy and prosperous condition in this country and the world over. I am a believer in tariff and protection but at the same time I strongly object to the printing of "Blue Ruin," which was the downfall of the Conservative Party in the last Federal election.

It would be more in keeping if the papers would print optimistic reports than publish this skeptical stuff. The above is written without prejudice and with good feeling and the writer is quite aware of the fact that half of your reports are given to you by business men who should be credited with more common sense than to pass out such junk. At the same time, I also believe that the paper itself should be diplomatic in the way it publishes these reports.

If you refer to your articles on page 31 re Penmans, Canadian Woollens, Paton Manufacturing Co., etc., you will see that what I am saying is endorsed here. One part of your paper prints optimism and the other part shows blue-ruin and one bad apple will easily poison the barrel.

I would refer you to the Daily News Record of December 21st, which gives the whole situation of the woollen business on the American Continent.

F. W. BOHIN.

Toronto.

DISCUSSES TAX METHODS OF RURAL NEW BRUNSWICK

In the Journal of Political Economy of the University of Chicago, the December, 1926, issue, there is an article on "Rural Taxation in New Brunswick," by Prof. W. C. Kinstead, head of the department of philosophy and economics in the University of New Brunswick.

The professor's analysis is exhaustive and critical of taxation methods in his province. He makes numerous recommendations for improvements.

SAY $2,200 LOW FIGURE FOR COST OF DECENT LIVING

Family of Five Needs This, Says New Commodity Budget

By HENRY BRACKEN.

Using health as the criterion of a living wage and a decent standard of living, the new commodity budget is apparently making a permanent place for itself in the family circle of statistics. No matter how indifferent an employer may be toward the personal happiness of his employees, he nevertheless looks with favor on a healthy workman and a healthy community. Thus the community budget has appeared to test the health and living conditions of the community and to compute the exact conditions that may be expected under existing wage-scales.

Family Budget Different

As far as Canada is concerned there had been no commodity budget until the year 1925. The family budget which is published in the Labor Gazette is the one which is most commonly used. However, it was constructed a good many years ago, and as the family budget was new in those days it does not measure changes in the cost of living as accurately as could be desired, and is not constructed upon the same sound principles as a commodity budget.

According to C. W. Bolton, Statistician at the Department of Labor, a new budget is at present being constructed which is expected to make its appearance before long. In the meantime the only commodity budget which is available for Canada is the one prepared by the Canadian Brotherhood of Railway Employees, in 1925. This commodity budget estimates the average cost of minimum health and decency in Canada for a worker's family of five, at $2,200

Quantity and Quality

Originally budgets were determined solely from the viewpoint of price. The war, with its rapid price changes, proved the fallacy of a purely price standard and to-day quantity and quality have been added to price as a means of interpreting human requirements. The basis from which quantity and quality are judged is health. Since health is unquestionably the right of every man, woman, and child, it is used as the criterion of a living wage and a decent standard of living. The definition of this standard of living is therefore a statement of those quantities of family consumption which are necessary to maintain families in health. Such a statement is called a "commodity" budget. This has been arrived at by the Railway Brotherhood through studying the quantities and kinds of articles and services actually consumed by families which are maintaining themselves at a level of health.

This idea of health as a standard has led to a lot of confusion and unfortunate errors are continually being made because people take budgets which are constructed for one purpose, and use them for another. A clear statement as to budgets is given by Professor Paul Douglas, of Chicago University, who says that commodity budgets can roughly be divided into four kinds. The first he names is "The Poverty Level" which he says costs about $1,100 in large American cities. The second is the "Minimum Subsistence Level," which costs about $1,400. The third the "Health and Subsistence Budget" which costs about $1,600 or $1,700, and the fourth a "Comfort Budget" which ranges about $2,400.

Cost of Living in Canada

Not finding any official or reliable commodity budget constructed for Canada, the Canadian Brotherhood of Railway Employees, adopted for the use of their study the most popular commodity budget on this continent, namely, the one constructed by the Bureau of Labor Statistics in the United States in 1918. It gives with a great deal of detail the minimum quantity of goods and services necessary to maintain a family of five for a year at a level of "minimum health and decency." The budget is not only valuable in the fullness of items listed, but in that it enables accurate measurement of the cost of living according to this standard anywhere at any time. It is necessary only to get the prices, at the time and place desired, of the specified items, multiply each unit price by the quantity specified for the year, and add the sums obtained.

The Brotherhood gives careful reasons for their choice of this standard.

"(a) The Dominion Government has constructed no commodity budget.

"(b) No provincial government, nor other agency in Canada, so far as the Brotherhood could discover, has constructed a commodity budget, with the single exception of the Martel Budget, which has some deficiencies comparable to the budget of the Labor Gazette.

"(c) The items of goods and services and the quantity of each required (which is all a commodity budget set forth) vary little as between many parts of the United States and Canada; and such variations as should be made in a United States budget to adapt it more accurately to Canadian use (e.g., warmer clothing, and houses, more fuel, more heat-producing food), are principally variations which would increase rather than decrease the total cost of the budget in Canada.

"(d) This budget is not a partisan production, but the result of official government work of great care and extent; all pertinent facts regarding the structure of the budget are matters of public record readily available; and the budget has high scientific standing after a number of years' wide use.

"(e) All studies of the cost of living in the United States were made by the use of budgets closely conforming to, or actually approximating the standard of minimum health and decency already defined."

This budget was constructed so as to serve in laying down a standard of living suitable for wage earners in all parts of the country, irrespective of racial origin. The principal guide was that these workers and their families live and work in America, and if they have not already, are quickly assuming the American mode of living. This has been accepted as a proper guide and principal in the Canadian study and applied with the necessary modifications.

Localities Chosen for Budget

Various centres were chosen by the Executive Committee of the Brotherhood for the study of the cost of living in Canada. These were chosen on the principle of one each, of a large, medium and small urban centre; as those in which railroad workers reside and work; as those which are principally railroad points on Canadian National lines, and on which brotherhood members are employed. These cities are believed also to serve as guides for the cost of a minimum health and decency standard of living in each of the provinces in which these cities are located.

	Pop. 1921 Census
Maritime Provinces	
Sydney, N. S.	22,545
Truro, N. S.	7,562
Moncton, N. B.	17,488
Central Provinces	
Toronto, Ont.	521,893
Belleville, Ont.	12,206
Montreal, Que.	618,506
Coteau Jct., Que.	....
Western Provinces	
Winnipeg, Man.	179,087
Saskatoon, Sask.	25,739
Kamloops, B. C.	4,501

The investigation was conducted during the spring, summer and fall of 1925, lasting from March 9 to November 12. Prices were secured in the "personal shopping" method. The method of procedure and findings follow below:

Average Cost of Minimum Health and Decency Budget in Canada

Summary of family budget for worker's family of five persons.

I. Food		$ 639.04
II. Clothing—		
Husband	$118.70	
Wife	147.60	
Boy, 12 years ...	83.21	
Girl, 6 years	65.14	
Boy, 2 years	38.26	
		$ 452.91
III. Household Equipment, $979.93. 7% annual upkeep		68.59
IV. Rent, Light and Heat		656.30
V. Cleaning Supplies, etc. ..		44.10
VI. Miscellaneous		432.43
Total		[illegible]2.37

Leather Output in 1925 Best Recorded Since '20

The largest output since 1920 and exceeding the average of the 5-year period 1921-1925 by approximately 7 per cent., was the record set up by the leather industry of Canada during 1925, according to a bulletin issued by the Bureau of Statistics. There was further elimination of the small custom tanneries during the year and the result is reflected in the value of production per establishment, which rose from $225,006 in 1924 to $251,357 in 1925.

An analysis of the report shows that there were 104 plants in operation, a decrease of 10 from those reported in the previous year. Capital invested totalled to $30,095,917; cost of materials used amounted to $17,904,138; while the gross value of production was $26,141,217. Oak sides were the principal item of production, followed by cattle and horse hides sides, calf sides, patent and enamelled shoe leather, harness, glove, trunk and pocket book leather.

Canadian tanned leather exported during the calendar year 1925 was valued at $7,634,326, of which upper leather accounted for more than half of the total. Exports to the United States represented about 81 per cent. of the total value of leather exported, and to the United Kindom, 15 per cent. Unmanufactured imported leather amounted to $3,884,972. Comparison with the trade returns for the previous year is not feasible owing to the fact that in making up the previous report the fiscal year ended March 31 was used.

Big Sales of Farm Implements

Agricultural progress in Saskatchewan is on the upgrade. During the past few months land sales have been brisk, half of the purchases being of raw, unbroken farms. Wholesale implement dealers of the province all look for a big year of farm production in 1927. One implement dealer states that he has now more orders for spring delivery than the total of his 1926 sales.

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Estimate Foreign Capital in Canada is $5,310,000,000

Compilation Made for The Financial Post Survey, 1927, Indicates Further Growth in Investments of Outside Capital in This Country

Investments of foreign capital in Canada total $5,310,000,000, according to figures compiled by The Financial Post Survey, Toronto, and appearing in the 1927 edition of that publication, just issued. These capital investments are divided in the compilations as follows:

United States of America	$3,016,000,000
United Kingdom	2,111,000,000
Other foreign	183,000,000
	$5,310,000,000

Few countries in the world have offered such opportunity for the safe and profitable investment of capital as has Canada. And, in consequence, few countries have drawn such large accumulations of foreign capital as Canada has drawn in the development of its natural resources. The flow of foreign capital to Canada still continues, although this country is itself a large investor abroad. In the past three years, around half a billion dollars of American, British and other outside capital has come to Canada, to be invested in the development of our natural resources and in the extension of the economic superstructure of the country, its railways, public services, etc. This has brought the total investment of outside capital in Canada to over $5,000,000,000, a large amount, but not to be regarded as dangerously out of proportion to our total national wealth estimated a few years ago at $22,000,000,000 and probably exceeding $25,000,000,000 at the present time.

Based on Former Estimates

Estimates of foreign capital investments are exceedingly difficult to make with a high degree of accuracy. In 1923, The Financial Post made an estimate of foreign investments in Canada and was aided at that time by the compilation of figures showing the distribution of ownership of the securities of industrial and mining companies. These had been compiled by the Dominion Bureau of Statistics and filled the gap that was and is always hardest to bridge in such a task. The bureau has ceased to compile these figures and, in bringing its estimate of foreign capital investments in Canada up to the beginning of the present year, The Financial Post Survey has adopted the method of beginning at the former figures and making estimates of the changes that have taken place since, a study of Canadian financing year having provided the chief clue to these changes.

The figures here presented are given only as estimates but estimates made with a tremendous background of statistical and other data which has been available and which has been freely called upon in the preparation of the individual figures regarding different groups of industry and enterprise. These figures, added together, make the totals below.

Division by Groups of Industries

The estimate of foreign capital investments in Canada made for The Financial Post Survey, 1927, and showing the situation as at approximately January 1, 1926, is as follows:

	U.S.A. Capital	U.K. Capital	Other outside Capital
Public securities	$ 879,000,000	$ 437,000,000	$ 5,000,000
Railways	435,000,000	951,000,000	35,000,000
Industries—			
Forestry	425,000,000	70,000,000	25,000,000
Mining	300,000,000	110,000,000	25,000,000
Fisheries	7,000,000	3,000,000	1,000,000
Public services	*200,000,000	125,000,000	20,000,000
Other industries	625,000,000	160,000,000	10,000,000
Land and mortgages	100,000,000	125,000,000	20,000,000
Banking and insurance	45,000,000	90,000,000	12,000,000
Total	$3,016,000,000	$2,111,000,000	$183,000,000

* Electric power, street railways, hotels, construction, etc.

American Capital in Canada

The figures throw some illumination upon the large investments of American capital in Canada since the end of the war. American investments in Canada have grown as follows:

1913	$ 417,143,220
1923	2,478,500,000
1926	3,016,000,000

British Investments Also Larger

British capital, while it occupies a relatively less important position in Canada, has nevertheless continued to come to Canada in some volume and it is gratifying to note that the amount of British capital in Canada is shown by the figures to have increased about $100,000,000 in the past three years, a figure that is confirmed by another estimate made recently by a British financier.

1913	$1,860,000,000
1923	1,995,000,000
1926	2,111,000,000

Other Foreign Capital Unimportant

Amounts of foreign capital apart from British and American, are small. The figures show some apparent decline between 1923 and 1926. While there has been some decline it is likely that it has not been as great as the tables would seem to show. The 1923 figures of foreign capital in Canada were likely somewhat too generous, later data on the distribution of some of our railway securities having shown this to be the case. However, as the relative importance of this branch of outside capital investments in Canada is small, the figures have not been changed.

Growth of Such Capital Investments

The following figures show the trend since before the war. The 1913 estimate is that of Fred M. Field. The 1923 estimate is that of The Financial Post and the 1926 estimate is, of course, that of The Financial Post Survey, 1927.

	1913	1923	1926
Great Britain	$1,860,000,000	$1,995,000,000	$2,111,000,000
United States	417,143,220	2,478,500,000	3,016,000,000
Other Foreign	139,589,650	323,000,000	183,000,000
Total	$2,416,732,870	$4,796,500,000	$5,310,000,000

Our Investments Abroad $700,000,000

Estimate of Canadian investments abroad shows the following figures. The complete record of these figures and the method of arriving at them will be found in The Financial Post of November 26, 1926. Figures are also as of January 1, 1926.

Government credits	$ 35,000,000
Banking balances	196,231,000
Bank premises	4,000,000
Bank holdings of foreign securities	102,420,000
Insurance companies of foreign securities	175,000,000
Trust and loan companies of foreign securities	2,000,000
Branch and controlled plants	50,000,000
Miscellaneous	150,000,000
Total	$714,651,000

NOVA SCOTIA IS FEELING BETTER; FUTURE ASSURED

Especially if Duncan Report Brings Anything, Province Happy

From Our Own Correspondent.

SYDNEY.—Publication in full of the Duncan report has given still another boost to the spirit of optimism that has pervaded the Maritimes since industrial and trade conditions began to mend some months ago.

True, the document had been discounted somewhat by the accurate summary of it released by The Financial Post, but the opportunity afforded Maritimers to read for themselves the text of the able and discerning findings of the commission has had a most cheering effect.

From all but a few centres of Central Canada has come also press comment indicating that the rest of the country is anxious to see the Maritimes given their full rights under the Confederation pact. This, too, appreciated and encouraged easterners to redoubled efforts to better their own conditions.

Other Factors Point to Prosperity

Other factors point to increased and continued prosperity.

In anticipation of continued good coal business, Besco is rushing development work on a new shaft at Dominion.

Unless plans miscarry, the old Lingan seam, unworked for 30 years, will be tapped again and production resumed on this valuable area.

The navigation season just closed has seen 2,500,000 tons of coal shipped up the St. Lawrence, with 200,000 tons or so still to go to Montreal via Louisburg and Portland. Before the war the companies thought they were doing fine work if they sold 1,500,000 tons "up the river."

Expect to Find Oil

Reports from Lake Ainsley, C.B., where Eastern Gulf Company, Limited, is oil prospecting, are very encouraging, and it would be no surprise if a gusher should be brought in there any day. At Mabou, this company has two wells down 800 feet and are still drilling. The Doheney interests drilling on Governor's Island, Charlottetown harbor, so far have met with no marked success.

The tourist season proved most successful in every way, and the province is able to get accurate figures because Nova Scotia occupies a peninsula to which there are only three points of entry. Over 114,600 visitors came in during the summer, and of this number 52,392 were in automobiles.

Provincial and community tourist advertising efforts, which met with such marked success last summer, will be increased in 1927 it is indicated.

On the whole, things never looked better for the Mayflower province, and if the Duncan report is implemented by government action, as is confidently expected, the future will indeed be bright.

Banque Provinciale Has Higher Profits in Year

From Our Own Correspondent.

MONTREAL.—The peliminary figures of the annual statement of La Banque Provinciale du Canada for the year ending November 30, 1926, show a satisfactory increase in profits, the net amounting to $454,123 as compared with $407,258 last year.

During the year, the paid-up capital has been increased by $1,000,000. It is now $4,000,000 with reserves amounting to $1,776,000.

The regular dividend of 9 per cent. per annum has been paid, and a sum of $60,539 has been applied to reduce bank premises and real estate accounts and also to provide in full for the maintenance of new branches.

The new issue of stock, together with the premium, in all over $1,225,000, has been nearly all taken up by shareholders and actual clients of the bank, and paid for by them out of their deposit balances. If due account is taken of this fact, and also of the fact that as of November 30, 1925, the bank had about $690,000 of temporary deposits, the total deposits received from the public are by $3,400,000 in excess of the figures of the previous year. During the same period, 37,731 new deposit accounts have been opened.

PRICE MOVEMENT WAS DOWNWARD THROUGHOUT 1926

Canadian Level Showed Big Decline in Year Just Past

Wholesale prices in Canada were characterized by a distinct downward tendency during 1926. The general index number for the year, as computed by the Dominion Bureau of Statistics, will probably be about 156 as compared with 160.3 in 1925. Though the movement received checks in April and July these were overborne in the succeeding months and in November the index stood at 151.5 as compared with 163.8 in January. The decline was due in the main to lower prices for important raw materials and to the influence of a world wide downward movement.

As to the commodity factor four main groups were chiefly influential in bringing about the decline, viz., fibres, textiles and textile products the index for which was 155.8 in November as compared with 188.0 in January; wood, wood products and paper which was 159.7 in January and 155.5 in November; iron and its products which was 147.5 in January, 143.5 in June and 145.7 in November and non-ferrous metals which was 105.0 in January and 97.7 in November. Three other main groups were all lower in November than in January but their averages for the year will show little change from those of 1925. Comparing November and January, vegetables and their products were 183.9 and 162.3; animals and their products 148.5 and 142.8; nonmetallic minerals and their products 177.2 and 174.5 respectively in the two months. The chemical and allied products group varied very little throughout the year, being 157.6 in January and 157.8 in November.

Farm Products Had Big Fall

The index number of the wholesale prices of Canadian farm products was 173.0 in January and 155.2 in November. Since this compares with a general index of 163.8 and 151.5 for the same months, it will be seen that the purchasing power of goods which the farmer sells remained above the general level of wholesale prices. The index numbers for fully or chiefly manufactured materials were 159.2 for January and 149.2 for November, hence the purchasing power of farm products was at a still great advantage in relation to such commodities.

Though consumers' goods (foods, clothing, household equipment) were, on the average, higher in 1926 by four or five points than in 1925, there was, nevertheless, a downward tendency during 1926. In January, the index was 166.1 and by November it had fallen to 158.7. The higher average level for the year is explained largely by the high prices which prevailed for potatoes until the fall, owing to the poor crop of 1925. Meats were also higher in 1926, but eggs, beverages, breadstuffs, fruits, dairy products and sugar were lower. Among other consumers' goods anthracite coal, gasoline and coal oil averaged higher than in 1925, while the clothing group was not much changed.

Producers' Goods Down

Producers' goods were lower in 1926, the average index being probably about 149 as compared with 155.5 in 1925. The most important decline was that of materials for the milling industry, but materials for building and construction, for the textile and clothing, leather, metal-working, and miscellaneous industries were also lower in price.

Outstanding price changes for the year were as follows: Wheat, No. 1 Manitoba Northern, which commenced the year at $1.56 on the Winnipeg Exchange and which averaged over $1.50 for all months, with the exception of March, up to August, had fallen to $1.41 in November. This decline was due mainly to larger world crops though the Canadian production was slightly smaller. Oats, due to smaller crops, were 60c. per bushel in November, as compared with 47c. in January. Flour moved in sympathy with wheat prices. Rubber, ribbed smoked sheets, fell from 83c. to 40c. per pound this decline being due to larger releases and less urgent demand. The potato scarcity which pushed prices up to $3.94 per bag at Montreal in April, was succeeded by a good crop so that prices ranged from $1.40 to $1.65 per bag in the fall of the year.

Butter prices were considerably easier than in 1925 owing to a decreased export demand. Creamery prints at Toronto were 48c. per pound in January and 39c. in November. Cod, dry salted, due to the large catch, dropped from $8.00 per quintal in January, to $5.20 in November.

A record-breaking crop depressed raw cotton, the November average price at New York being 13c. per pound as compared with 20¾c. in January. Finished fabrics reflected these lower levels, blue denim (2 yards) declining from 61c. to 48c. per pound and 4.15 Saxony from 85c. to 73 2/3c. per pound. Raw jute due to bigger crops, declined from $15.66 to $8.80 per cwt. Wool prices were also easier. Western wool, range, semi-bright, ½ blood, was 35c. per pound in January and 30c. in November.

Several lines of lumber prices were lower, including birch oak, pine, spruce, fir and shingles. Newsprint paper was $70.00 per ton in January and $65.00 after February. Groundwood pulp showed a slight downward tendency being $27.00-$33.00 per ton in January and $28.00-$30.00 in November. In this group of commodities, though demand was well maintained and in some cases improved, supplies were relatively abundant.

Steel Prices in Reverse

Steel and iron prices tended downward during the first half of the year but experienced a recovery in the second half. Pig iron foundry at Montreal commenced the year at $29.25 per gross ton, had fallen to $26.70 by September but recovered to $27.70 by November. Round and square steel bars at Hamilton were $2.32 per cwt. in January, $2.00 in May and $2.36 in October.

Silver declined from 68¾c. per fine ounce in January at smelters, to 54c. in October, but there was some recovery thereafter. This important decline is probably to be attributed to the disturbed conditions in China rather than the influence of the Report of the Indian Currency Commission. Zinc was $10.15 per cwt.. in January and $8.85 in November. Nickel 98.5 per cent. was 32c. per pound in January and 29c. in November.

Nova Scotia coal dropped from $6.25 to $6.00 in small lots at the mines. Coal oil was 20c. per gallon in January and 24c. in November. Gasoline was 23½c. per gallon in January, 26½c. in October and 24½c. in November. Cement, due in part to certain competitive conditions, declined from $1.97 to $1.37 per barrel.

Canadian Car Position Creates Interest in Stock

From Our Own Correspondent

MONTREAL.—The improved earnings of the Canadian Car and Foundry Company, coupled with bettered railway earnings and a more satisfactory outlook for the coming year, has brought about more activity in the stock.

Whilst the earnings of "Car" are subject to wide fluctuations, yet the last annual balance sheet showed that there is a book value behind the common stock of $154 per share. The low for the common during the past six years was 16 in 1921, and the high 58 in 1925. The low for the preferred during the same period was 42 in 1921, and the high 97 in 1924.

STEEL OUTPUT UP DURING YEAR FROM 1925 LOW LEVEL

Less Destructive Price Cutting in Metal Markets

Summary by Canadian Machinery Annual Review Number.

More iron and steel was made in Canada in 1926 than in 1925. The gain was more prominent in pig iron, 33 per cent, than in steel 4 per cent.

For the eleven months ending November 30, the production of pig iron was 683,532 tons against 515,508 tons in 1925. The output of steel ingots and castings was 718,395 tons as compared with 690,342 tons in 1925.

The iron output for the eleven months consisted of 442,349 tons of basic iron, 199,535 tons of foundry iron and 41,648 tons of malleable iron. The year's output of steel consisted of 687,240 tons of ingots and 31,155 tons of direct castings.

In round figures, the average monthly production in recent years compares as follows:

	Iron	Steel
1921	50,000	57,000
1922	32,000	40,000
1923	75,000	77,000
1924	52,000	57,000
1925	48,000	63,000
1926	62,000	65,000

In iron, only October and November showed lower totals than in 1925. March, May, October and November were the losing months in steel.

In the year of 11 months, furnace charges totalled 1,216,016 long tons of imported iron ore, 762,392 short tons of coke and 369,660 short tons of limestone. No Canadian iron ore was used. Ferro-alloy production in the same period was 34,150 tons as against 22,701 tons in 1925.

Figures for 12 Months

A 12-months' comparison, taking in the figures for December of 1924 and 1925, shows that 738,421 tons of pig iron were produced in 1926 as compared with 538,052 tons in 1925, and 782,748 tons of steel in 1926 as compared with 716,581 tons in 1925.

The production of pig iron in December, 1925 at 54,889 long tons was well over the average monthly output for the year of 48,000 tons, although it was 20 per cent. under the 68,535 tons reported for November.

A year of better business in the metal markets, with larger sales and less destructive price cutting, has passed. Steel, raw, semi--finished and finished; pig iron, both foundry and basic; alloys, and non-ferrous metals—there is scarcely a branch that does not report a year of more satisfactory business.

Less Scrambling For Orders

There was less scrambling for orders in 1926 than in the previous year, or in fact in any year since the war. The consuming industries found themselves in possession of more substantial orderbooks, the pulp, paper and mining fields carried out expansion plans, and the power companies spent money [illegible] development work long contemplated. All this activity was of material benefit to the metal markets.

Distractions there were, of course. The policy of short-range buying became even more firmly imbedded, the comparatively tranquil course of prices being considered justification by more than one large user, for buying on a monthly rather than a quarterly basis. Business for Canadian mills was complicated, too, by heavy shipments from United States producers, at prices Dominion producers could not meet. In addition to the 5 per cent. such producers are allowed, the size and quality differentials are often waived in a manner difficult to detect.

The Foreign Invasion

The influx of European steel in eastern Canada, as far inland as Ontario, caused Roy M. Wolvin, head of the British Empire Steel Corporation, to characterize the situation as a "national emergency so far as the iron and steel industry is concerned." The British strike boosted prices and turned Canadian business meant for England to the United States. The tariff cuts on auto parts forced some price cutting and better business. Taken "all in all," the year required careful planning, but profits seemed to have been greater than in 1925.

Grant Insurance Licenses

Dominion insurance licenses have been issued to Alliance Assurance Company, to write fire insurance, accident insurance, automobile insurance, burglary insurance, explosion insurance, guarantee insurance, hail insurance, inland transportation insurance, plate glass insurance, sickness insurance, sprinkler leakage insurance and tornado insurance; and to Queensland Insurance Company, to write plate glass insurance.

BRITISH COLUMBIA ELECTRIC RAILWAY COMPANY

DEVELOPMENT OF THE UNDERTAKING

"SPLENDID POSITION"

CANADA AS A FIELD FOR INVESTMENT

The Thirtieth Ordinary General Meeting of the members of the British Columbia Electric Railway Company, Limited, was held on Thursday, 16th December, at the Great Eastern Hotel, Liverpool-street Station, London, E. C., England,

Mr. J. Davidson (deputy-chairman) presided.

The Secretary (Mr. R. W. Bartlett, A. C. A.) having read the notice convening the meeting and the report of the auditors.

The Chairman said:—I cannot commence to-day's proceedings without expressing the feeling which is uppermost in the minds of myself and my colleagues, namely, our grief at the loss which we have sustained in the death of our esteemed and valued colleague, Sir Ernest Harvey. For 16 years he served your company faithfully and well. His well-known ability and energy were constantly directed to devising ways and means for furthering the welfare of the company, and the acute sense of loss created by his death will long remain with us. On the other hand, I am happy to say that we have with us to-day the president of the company, Mr. George Kidd, who is here on a visit from Vancouver. Mr. Kidd has been in charge of the company's affairs in British Columbia for the past 12 years, and it is primarily to him that you owe the present splendid position of the enterprise which is illustrated in the report and accounts now in your hands. I know that Mr. Kidd very generously attributes the success of the company to the cooperation of his colleagues and his assistants in British Columbia, but they in turn have told me that the credit is due to Mr. Kidd. At any rate, it is a happy controversy, and the more I hear of it the more I am sure that Mr. Kidd must accept a very large measure of responsibility for the splendid position in which the enterprise is to-day. On to his able shoulders I propose to place the task of addressing you to-day. (Cheers.)

Mr. George Kidd's Speech

Mr. Kidd:—Mr. Davidson has said I am to have the task of addressing you to-day. I would say, however, that it is not a task, but a very great pleasure to be able to meet you to-day. Many of the stockholders are known to me personally, because they have visited British Columbia and seen for themselves the properties they own. I wish a great many more of you could do the same, because I have never yet met a stockholder, who has visited us and seen for himself the properties of the company and the activities of the communities we serve, who has not returned home satisfied with the present and full of enthusiasm for the future. Turning to the report and accounts which are now before you, we and your auditors, Messrs. Price, Waterhouse and Co., have laboured to present these in the clearest form so as to give you a full and proper picture of your company's affairs. I think, and I hope you will agree, that we have succeeded so well that it is unnecessary for me to explain the figures in detail.

I think you will also agree that the results are eminently satisfactory, especially when I remind you of the very substantial reduction in our rates for commercial and domestic consumers of electricity which were put into force during the year under review. Capital required for present expenditure on further extensions and developments is well provided for. The physical condition of your properties is well maintained, and our relations with the local authorities and the public whom we serve are satisfactory. The trade and commercial activities of the Province of British Columbia show continued and stable expansion. The statistics relating to the production of minerals and forest products reveal substantial increases, and the development of the business of the Port of Vancouver tells the same story of progress and expansion. I do not want to trouble you with a lot of figures. One striking example will be sufficient—viz., that of lumber exported. The published figures show that for the first nine months of 1925 lumber exported from the Province of British Columbia was approximately 401,000,000 feet, whereas in the first nine months of 1926 approximately 545,000,000 feet were exported, an increase for the nine-month period of 144,000,000 feet, or over 35 per cent. These happy conditions are reflected in the report which is in your hands.

Range of Activities

Due probably to the name of our company, which in no way indicates that we are engaged in selling electric current for commercial, manufacturing, and domestic uses, and that we also carry on a large and satisfactory gas business, the quotations for our securities appear in the London Stock Exchange official list under the heading of "Tramways and Omnibuses." No one acquainted with the character of your undertaking would think of looking for its securities under this classification. I propose, therefore, as briefly as possible, to give you some description of the services we render to the public of British Columbia. A population of approximately 375,000 persons is entirely dependent on your enterprise for the generation and distribution of electricity and the manufacture and distribution of gas for commercial and domestic uses, as well as for local transportation. As will be seen from our report, during the past year our hydro-electric power plants developed 389,418,400 k.w.h., and we served 89,270 light and power consumers. We manufactured 891,304,100 cubic feet of gas for the consumption of 33,158 gas customers, and we carried 72,547,367 passengers, and hauled 417,003 tons of freight over our transportation system. In addition to the foregoing, we are gradually acquiring a number of motor coaches and lorries for the transport of passengers and freight. These motor vehicles act very largely as feeders to our railway system and supply the rapidly growing demand for a service of this character. It will be apparent from the foregoing that such an extensive and varied system depends very largely for its success upon the character and capacity of the officials and staff who are responsible for its operation. I am glad to say that we have every reason to congratulate ourselves on having a first-class body of men, whose courtesy and efficiency are fully recognized by the public.

Pensions Fund

You will see from the report that we recommend setting aside a sum of £40,000 as the nucleus of a fund for the payment of pensions to employees who have been in the service not less than 25 years, and who have reached the age of 65 years. This recommendation follows the modern practice of large companies who recognize the expectation of long and faithful service to some protection in old age. We have for some time granted loans to responsible and established employees for the purpose of building houses. We charge interest at the rate of 6 per cent. per annum and require repayment by instalments spread over a period of approximately 15 years. This concession has been very much appreciated by the staff, and up to date some 142 homes have been provided by this means. We also carry a blanket life insurance policy under which relatives of deceased members of the staff receive $1,000 at a time when expenses are immediate and heavy. This policy towards our employees, together with the continued and substantial reduction in rates granted from time to time to the public as circumstances warrant, combined with the first-class character of our service, have resulted in an exceptional measure of public confidence, which was proved by the almost unique response to our issue of securities locally to which I will now refer.

During the past few years public utility corporations on the North American Continent have experienced exceptional development and prosperity due in the main to the continually increasing demands for electricity for both commercial and domestic purposes, but due also to the confidence which they have inspired in both the investor and consumer. This confidence has resulted very largely from a close study of what are generally described as "public relations" combined with the policy of offering their securities to their customers and employees. In the spring of this year your company followed this admirable example, which, as you will see from the report, was attended with unique success and testifies as nothing else can to the confidence reposed in your company by the population we serve. Briefly, we offered $2,250,000 6 per cent. Preference Stock in a subsidiary company, called the British Columbia Electric Power and Gas Company, at 99 per cent., limiting the amount of any one subscription to $5,000 and confining the application entirely to residents in British Columbia. Within six days of the opening of the lists we had applications for considerably over $7,000,000, and were compelled to cease advertising and announce the closing of the lists. In order not to disappoint the public, we accepted $5,000,000, which were allotted to some 10,523 applicants, of whom 1,359 were employees of the company. These facts, I think, sufficiently indicate the standing of the company in the communities where its operations are carried on.

Increased Demand

In addition to the work and supervision involved in the operation of a system such as ours, it will be apparent that in the cities, towns, and districts of a province in which the population is rapidly increasing provision must be made some years ahead for the additional demand which will come upon our services. It takes at least three years to develop a hydro-electric power plant, and we must, therefore, always maintain a surplus of power to ensure continuity of service during construction periods. The average annual increase in the consumption of electricity has, for many years, been approximately 8 per cent. per annum. During the year with which we are now dealing this increase has exceeded 10 per cent., which if maintained means that the capacity of our hydro-electric system must be doubled every eight or ten years. Such a rapid rate of increase places a very heavy responsibility on your company to provide the capital necessary for development. So long, however, as the public depend upon us for their transportation, lighting, electric power and gas utilities, this is a responsibility which we must face, relying, as I feel sure we may with confidence, on the continued and steady growth of the territories we serve.

The growth of cities and towns brings with it other responsibilities involving heavy expenditure. In the early days of a community the practice is to distribute light and power by overhead lines carried on poles, this being the cheapest form of distribution. But with the growth of a city like Vancouver, when the central districts tend to become congested, it becomes necessary to eliminate overhead lines and substitute underground cables or ducts for carrying and distribution of electricity, and this can only be done gradually and at relatively heavy cost. In certain districts your company is faced with this condition of affairs, and has to make provision accordingly.

Canadian Securities

No doubt some of our stockholders have heard adverse criticisms of Canada as a field for investment due to the fact that unfortunately some undertakings which have raised their capital here for investment in Canada have failed or have proved only partially successful. Should any of you feel at all anxious with regard to our own or any other Canadian securities, I suggest that if inquiry were made into the reasons for these failures it would frequently be found that insufficient investigation in the first place or an unreasonably inflated capital, or mismanagement, or possibly all three, were generally responsible for the trouble. I think a rebuttal of any such criticisms in a general sense can be found in the history of our company, which has now carried on business in Canada for 30 years, during which time we have had innumerable dealings with Governments, municipalities, and other public bodies whose respect and confidence I believe we have earned, as they certainly have ours, and to-day we are one of the most prosperous of Anglo-Canadian enterprises. In conclusion, if you will allow me, I should like to remind you that during this long period of 30 years Mr. Horne-Payne has been our chairman. He and Sir Frank Barnard, who is with us today, are the originators of this company. In the early days when British Columbia was little known to the investing public over here, it was no easy task to raise the funds necessary for British Columbia enterprises. Only men of high character and great determination could have done it, and their long continuity of service in the guidance of the company's affairs is, I think, the greatest proof of, and tribute to, their wisdom and ability. (Cheers).

The Chairman:—Gentlemen,—I am sure that you have all listened with great pleasure to Mr. Kidd's speech on conditions in British Columbia. Before inviting questions or comments, I should like to move:—"That the balance-sheet as at June 30, 1926, together with the reports of the directors and auditors thereon, be and are hereby received and adopted." (Cheers.) Mr. Kidd seconded the resolution. During the discussion which followed, Mr. T. C. Bradshaw, Mr. Everett, and Mr. David Smith addressed the meeting, and the point was raised as to whether there would be any immediate issue of capital.

The Chairman, in reply, stated that there was no intention of making any further capital issue at present. The president had told the stockholders how rapidly the business was increasing, and it was desirable to have a substantial amount of authorized capital available for issue if required. Any share issues which had been made in the past had been allotted *pro rata* to the existing stockholders. The resolution was carried unanimously, and the dividends recommended were declared. The retiring directors (Mr. J. Davidson and Mr. George Kidd) were re-elected and the appointment of Mr. W. G. Murrin as a director was confirmed.

Messrs. Price, Waterhouse, and Co. were reappointed auditors; and a cordial vote of thanks, moved by Mr. G. P. Norton and seconded by Mr. Bruce J. Capell, was given to the president and staff in British Columbia.

Increase of Capital Approved

A resolution was passed unanimously, increasing the capital of the company to £5,320,000 by the creation of 320,000 new shares of £1 each, and an extraordinary resolution was also passed altering the memorandum of association so as to enlarge the company's facilities for the issue of securities by its subsidiaries.

A vote of thanks to the chairman and directors concluded the proceedings.

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